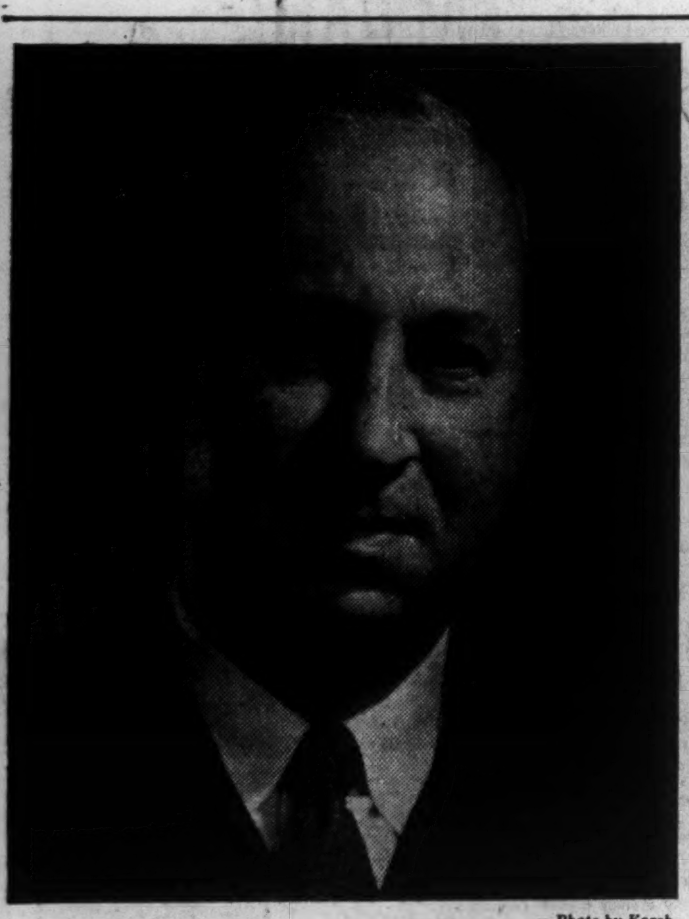
The Financial Post

The Canadian Newspaper for Businessmen and Investors

Vol. XL — Ten Cents an Issue, Five Dollars a Year — Publication Office: Toronto, November 2, 1946 — Member of Audit Bureau of Circulations — No. 44

Tax Chief



—Photo by Karsh.

Banker since the age of 17, big, English Frank H. Brown is Canada's new Commissioner of Income Tax. Moving over from his position as financial advisor to the Department of Reconstruction, Brown will take on the tax job when C. Fraser Elliott goes to Chile as Canadian ambassador. Brown left his superintendent's post with the Canadian Bank of Commerce credits department to serve on wartime loan as associate director of munitions production at Ottawa. He will be 53 next April, is author of "Pattern for Prosperity."

THE NATION'S BUSINESS

PC's Should State Where They Stand

What do Progressive Conservatives stand for? What are the basic policies and political beliefs on which they differ from Liberals?

More significant than acquisitions to Progressive Conservative strength is the apparent decline in Liberal party fortunes. The "time for a change" psychology inevitably weighs heavily against the Liberals. The three recent by-elections, Pontiac, Portage and Parkdale, certainly bring this question right up to the eye-level of Canadians generally. If the Liberals can't win, can the Conservatives?

PCs now stand in a position where the possibility of them being called to form a government is once again more than hypothetical. For that reason, it is essential for their own and the public interest, that they draft concrete plans.

Out of power, a party can get away with being **against**. In power, a party must be **for**. In power, a party must take initiative, draft programs, accept responsibility. It must know, in its own mind and soul, whereat and whereon it stands. Negativism isn't enough.

The Canadian public can well be excused if it finds it difficult to define differences between Liberals and Conservatives.

What about fiscal and social policy? As oppositions should or will do, the federal PCs have talked manfully about reducing taxes. But Liberal legislation in which PCs concurred and PC legislation which they promise in their own party program suggest that PC budgets—hence taxes—would currently be little different from Liberal budgets.

Federal PCs did not vote against family allowance legislation which is so far the most clear-cut demonstration of the ruling party's postwar policy for sharing the wealth to help put a floor under incomes and to foster maintenance of high national income.

The over-all record of the dominant PC group, both in and outside the House, suggests that it agrees, in general, with the main lines of economic policy as adopted by the Liberals and set forth most completely in the White Paper of April, 1945. If the dominant PC group rejects the basic economic philosophy of that document, that rejection has not been made clear to the public. Certainly no alternative program has been drafted.

Tariff was, or allegedly was, a traditional difference between these parties. We doubt if it is any longer. Both parties seem pretty well united on foreign policy and on commitments to the rest of the world about fostering trade across international boundaries. Both parties well recognize that, at this stage of national development, tariff policy is tied tight to deepseated considerations of economics and employment.

During the past session, PCs fought for the lifting of wartime controls. J. M. Macdonnell made a powerful attack against "bureaucracy" as represented particularly by the Foreign Exchange Board and the bill for continuing its existence and authority. But Liberals made equally powerful speeches against "bureaucracy." The Liberal Government has supervised the lifting of a great many controls and, on the FECB bill, it soon concurred with PCs on the desirability of putting a limit on the new lease on life granted that body.

Do Conservatives stand for provincial rights as against so-called centralism? Ontario's George Drew and an occasional PC voice may make it appear so. But John Bracken, leader of the PCs federally and the main body of influential voices presently surrounding him, would seem to speak with a different voice. They seem, as a group, to be closer to Liberal Ilsley than to provincial PC Drew. But PC reticence here makes any generalization difficult.

The foregoing seems to be today's situation on this issue, but what about tomorrow's. Is this theme going to emerge as a clear cut issue dividing Liberals and Conservatives? Would it if the federal PCs were to work an alliance with Duplessis forces in Quebec?

The Conservative party has an important and responsible role to play in our national affairs. As His Majesty's Loyal Opposition, it has been doing an increasingly good job on detail. It contains a good group of honorable and sincere men. What's needed now and promptly is program.

• • •

All Have Stake in Railways

Sometime before next spring the Board of Transport Commissioners will have to decide whether freight rates in Canada are to be advanced. The railways are asking an increase of 30%, certain provinces and many other interested parties are preparing briefs in opposition. Every citizen in this country has a stake in this matter. It is in everyone's interest that our railways be prosperous, but if freights increase so does the cost of living and doing business.

Without exhaustive examination of all the facts it will be impossible to determine the justice of the railroads' claims or of those who oppose the increase. That examination, for the time being the public can leave with the transport board. But in addition to specific claims two other factors must be taken into consideration. These are competition and service.

Substantially higher freight rates may be justified on the grounds of higher railway costs but if they result merely in diverting a large volume of business into the hands of railway competitors then higher freights may not be any solution. This matter must be treated not just as a railroad problem, but as one that concerns the moving of freight by any form of carrier.

And the service angle cannot be ignored. There are many miles of unprofitable railway line in Canada. We have lopped off some and can undoubtedly lop off more. But there are limits. It wouldn't be possible of course, to confine operations only to the profitable sections of the railroads. If it were it would ruin us as a nation.

The railroads must provide some service to outlying parts of the Dominion whether that service is profitable or not. If they did not, both confederation and future growth would be impossible.

Wage, Salary Control Ends Ere January

Labor Boards Bogged Down With Backlog of Applications — Price Ceilings to Continue

OTTAWA—Present settled and agreed policy of the Government is to terminate all wage and salary controls in Canada as at December 31. This has been confirmed with top officials who say a widely circulated mid-week report, implying the contrary, is incorrect.

This decision is in line with an earlier report of Government policy (The Financial Post Oct. 19) as having been made prior to the Federal-Provincial labor relations conference held here this month.

Still undetermined, is whether there will be any material easing of present regulations before the Dec. 31 cut-off date.

So far as salary control is concerned, the decision will probably be affected by appointment of F. H. Brown, as income tax commissioner and deputy minister to succeed C. Fraser Elliott. The latter is reported this week as saying that salary control is not being administered as rigidly as during war years. This is true. But it is also true that local boards are reported in some instances as being months behind in their work, and still operating under the very minor modifications of policy announced earlier this year.

In wage control, the various war labor boards are currently swamped with the largest volume of applications in their history. Applications in the current month are expected to run over the 4,000 mark. It has been suggested that this burden be eased before Dec. 31 by permitting all collective bargaining agreements to be excluded from the board from now on, so that the work could taper off before the year end.

But unless there is a subsequent change in Government policy, it may be taken as certain that both these controls must terminate by the year end. Price control will, of course, continue through 1947, but considerable changes in its administration are expected early in the New Year.

Believe All 9 Provinces To Accept Ilsley's Terms

OTTAWA (Staff) — Hope and patience best describe the current state of Ottawa's attitude to Dominion-Provincial relations — hope that all provinces will sooner or later agree to Finance Minister Ilsley's fiscal proposals and patience in the detailed, laborious paper work now in progress to fashion individual agreements with those which have already fallen in line.

Heading the parade to sign on the dotted line are Manitoba, Saskatchewan, New Brunswick and Prince Edward Island. Alberta's present reluctance is thought greatly tempered by knowledge of the impossible burden of double taxation which would have to be borne if no agreement were made. British Columbia is expected to ask and receive an important "bilateral" concession in the way of highway or railway relief—a concession thought justifiable in the national interest, and one which would make acceptance considerably more palatable while not disturbing the over-all offer to other provinces.

No Choice for Ontario

Ontario, it is thought, will eventually find it has no choice. The argument here is that the Province has taken no steps to set up an income tax law and tax collection machinery of its own. Such machinery is thought essential by Jan. 1, 1947 if provincial taxpayers are not to be penalized in respect of the proposed 5% deduction in their personal income tax, which the Dominion offered to any "non-agreeing" province which wanted to set up its own tax system.

The Nova Scotia cabinet is reported favorably inclined — with one important exception, Premier Macdonald. Eventually the differences which have been raised here are expected to be ironed out, especially those concerning "minor" fields of taxation, on which Mr. Macdonald raised particular objection.

Quebec remains on enigma. But is not thought that it will be the only province to remain out — assuming, as is done here, that the other eight will eventually reach agreement.

Computation Problems

On the "patience" side, the past week has been largely devoted to detailed examination of such mat-

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Steel Output Near Peak Month After Strike Ends

Canada's basic steel producers have been back at work for a month following settlement of the 83-day strike which once threatened to bog down production in a dozen allied fields. What has happened in that time?

Reports from the three companies affected by the walkout indicate that production is rapidly swinging into high gear. Steel Co. of Canada and Algoma Steel Corp. both report employment figures close to pre-strike levels, and production at Stelco is within 70% of capacity.

Dominion Steel & Coal Co. is also picking up rapidly, after a delayed start. It was more than a week after the strike had been settled, before Dosco began to call men back to work. Up to Oct. 19 the company was reportedly beset with slowdown trouble.

More than 3,000 Dosco employees returned to work between Oct. 19 and 25.

A revived labor-management production committee is drafting a new plant efficiency program for Dosco. Both size and composition of the working force will probably be adjusted as a result of their deliberations. The adjustment will be aimed at answering company insistence that greater efficiency is needed to keep the plant producing and union requests for new blood to replace oldsters who have reached pensionable age.

Month Ere Recovery

Here is the position of the three plants at month end as reported by company spokesmen:

Steel Co. of Canada: D. B. McCoy, vice-president, told The Financial Post how Stelco's big Hamilton plant swung into full three-shift operations in less than three weeks. In the first 24 hours after the settlement, 200 carloads of steel, made during the strike, were shipped out of the yards. Since then more than 100,000 tons have been shipped.

Two of the plant's three blast furnaces, 140 coke ovens, the open hearth, blooming mill and rod mill had operated continuously during the strike. They required no special attention. Five days after settlement the 10-in., 9-in. and 20-in. bar mills

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Detta Red Lake Cuts High Grade

Two drill holes have been completed by Detta Red Lake Mines in the northwest part of its property in Balmer Twp., Red Lake area, apparently indicating the presence of high grade gold ore to the south of Dickenson Red Lake, The Financial Post is informed.

Detta No. 12 drill hole is stated to have returned 11.5 ft. of ore of which a 4.5-ft. section averaged 2.7 oz. gold per ton. A second hole, No. 13, is reported to have been put through the same zone 100 ft. to the east, with 26 ft. of core stated to show visible gold. No assays were available on the second hole at press time.

The new ore zone is being outlined at the contact of the diorite with the andesites and has apparently an east-west strike and a 75 deg. dip to the south.

Subsidy - Tariff Issue Before Trade Meeting

Special Correspondence

LONDON (Special)—The question of subsidies vs. tariff protection to encourage new industries is receiving close attention at the International Conference on Trade and Employment this week. The main preparatory committee has resolved itself into five subcommittees and the subsidy issue is the chief concern of the committee on employment and economic activity.

While agreeing in principle with the U. S. argument in favor of subsidies, the Australian delegation, headed by Dr. H. C. Coombs has pointed out that subsidies are a luxury which all countries cannot afford. Tariffs, Australia believes, might be arbitrary and crude but they are cheaper.

Australian delegates have insisted that if a country felt its international balance of payments was suffering from failure of another country to buy its exports, the complaining country should be relieved of its responsibilities under the trade charter with respect to the offending country.

If, for example, Australia should find that the United States was not purchasing Australian wool, then in order to conserve its dollar resourees, it might find it necessary to impose import restrictions on U. S. goods.

It would only do this, however, after consultation with the International Trade Organization. There would be no unilateral embargoes or sanctions imposed by the aggrieved country without its having first stated its case to the ITO and sought redress.

Other Committees

Other subcommittees discussing the proposed trade agreement are dealing with the following phases: (1) restrictions, regulations and discriminations; (2) industrial development; (3) intergovernmental commodity arrangements and (4) organization and administration.

Meeting in private the delegations have been "thinking aloud" stating frankly their national viewpoints.

Their meetings are held in private because of the salutary experience of the "new diplomacy" in Paris and the fact that delegates are on the civil servant and not the political level.

Although there has been no formal move to adopt the suggested charter, prepared by the U. S. State Department, as the working draft of the committee, there has been a tendency to do so, because its chap-

(Continued on page 2, col. 3)

15c Will Carry Airmail Letter Across Atlantic

OTTAWA (Staff)—It is expected that 95% of all overseas business and personal airmail can now travel at half rate, following introduction of the new 15 cent rate on Nov. 1.

The new rate is for carriage of one quarter of an ounce of mail, whereas the old 30 cent rate was for half an ounce or less. Tests made here disclose that by using airmail stationery and envelopes, two full-size business letter pages, written on both sides, can be sent within the quarter ounce limit.

Banker New Income Tax Chief Elliott Named Envoy to Chile

Appointment of F. H. Brown Raises Question of More Vigorous Enforcement of Tax Laws With Criminal Prosecution Where Warranted

Ottawa (Staff)—F. H. Brown, financial adviser to the Department of Reconstruction and a superintendent of the head office of the Canadian Bank of Commerce, has been appointed Deputy Minister of National Revenue. He succeeds Fraser Elliott, K.C., who becomes Canadian ambassador to Chile.

Retirement of Elliott, rumored for some time, brings to the fore the question of income tax enforcement and the possibility of more vigorous action to track down tax evaders. There are two schools of thought on tax law enforcement. One assumes that taxpayers are fundamentally honest and frowns on wide-scale investigations. The other favors a get-tough policy, a thorough and complete investigation of every hint of evasion followed by criminal prosecution if warranted.

Fraser Elliott belonged to the former school. His main principle of administration was the assumption that taxpayers would deal squarely with the government. Special investigation, as a general rule, was out.

True, during the past 18 months he took steps to tighten the enforcement branch of his department, but it is believed he took them with some reluctance, and certainly not with any suggestion of an all-out drive against recalcitrant taxpayers.

Enforcement Officers Appointed

First sign of a stiffening of the department attitude was formation of a central enforcement branch. Subsequently the civil service established a separate category for "enforcement officers" as distinguished from the mainly administrative "assessors." Only 25 such officers have been appointed to date, and many of them only recently.

So far, The Post is informed, they are working out of the following tax districts: Quebec City, Belleville, Toronto, Hamilton, London, Calgary, Winnipeg and Vancouver.

But when this income tax "police force" is compared with the 500-600 investigators employed by WPTB, it becomes obvious that it can cope with little more than the most glaring and obvious cases of fraud.

The feeling behind the Elliott theory seems to be that by making "examples" of a few of the more serious cases, the prosecutions will have a wholesome effect in bringing other would-be evaders into line.

"This general approach is said to be confirmed by figures on number of prosecutions. No accurate totals are available, but it is believed that only a handful of prosecutions were completed in all Canada during 1945-46 under Section 80 of the Act. Section 80 deals with false returns.

Convictions Increasing

While convictions for income tax violations have been mounting slowly, there are those who insist the number of prosecutions is still far too low. They want to see every "lead" followed vigorously with criminal prosecution, not merely "civil adjustment."

They point to the fact that scores of "leads" have reached the department in the past and almost invariably when one has been followed, the trail has led directly to a prosecution. For example: recent investigations into income tax returns from doctors in a certain area disclosed that full income had not been reported in every case reopened. The offenders paid arrears and penalties, but so far no steps have been taken to prosecute them on criminal charges.

Another illustration: income tax assessors checked up on a hide

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World Food Body Divides Cabinet Gardiner For It

OTTAWA (Staff)—Agriculture Minister Gardiner's emphatic statement as reported in the press that "Canada is solidly behind" Sir John Boyd Orr's proposal for a World Food Board, points up a wide-open split in Government circles on this highly contentious question.

Most official opinion here at Ottawa is completely opposed to Canada's sponsoring the World Food Board—at least without further study and exploration. But Mr. Gardiner at Copenhagen, and now at Ottawa, continues to insist that Canada will support this disposal, despite this dissension and despite the public and official opposition of both U. S. and U. K. Governments.

The general view here, is understood to be that world-wide discussion on commodity arrangements is already under way in the International Trade Organization, and that it would be premature to start out on a new and quite different, but possibly parallel, plan; also, that the whole question of continuing relief aid after UNRRA folds up, is due for a major airing soon before the United Nations Assembly.

Higher Steel Prices Needed Stelco Warns

Strike Cuts 1946 Profits But Last Quarter Dividend Unchanged

Steel Co. of Canada shareholders this week received quarterly dividend cheques and with them a statement from President H. G. Hilton, describing the effect on company earnings of the 83-day steel strike, which cut plant production by 50%.

The strike did not affect current dividends, which were declared at 75c. a common share — unchanged since May 1, 1941—but Mr. Hilton warned that production losses sustained would "naturally be reflected in lower profits" for the year.

He said that wage increases plus higher material costs will largely offset the $5 a ton price increase granted by WPTB last April. At best, he said, this advance covered only about half the rise in unit costs of production since 1939.

Mr. Hilton pointed out that Stelco, in reaching its strike settlement, had reserved the right to appeal for further price increases, necessary to re-establish earning power of the company on a "fair commercial basis.

"Unless a fair return on invested capital is allowed," he declared, "the increased steel capacity essential to meet the heavy demands of Canadian industries will be absolutely discouraged."

But, he explained, there is a brighter side to the picture. Because the company was able to maintain partial operation throughout the strike, it was in a position to make substantial shipments of urgently needed steel products the moment the strike ended. Stocks of semi-

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Inside News

Market Recovery Sure

A decisive market recovery may be expected within three years at the longest—probably much sooner—Compton's investment manager reports. In view of this, he justifies his policy of holding Dominion Government bonds in the account, until the situation clarifies. Managed Investment (p. 5).

Need Electoral Reform

Canada needs some measure of electoral reform, if minority rule is to be avoided, informed observers of the political scene tell The Financial Post. But they differ in their views on proportional representation, the transferable vote, and compulsory voting (p. 24).

Churchill, Bevin, Link Up

More than a third of the Socialists in the British House are in revolt against Ernest Bevin's foreign policy, which smacks to them of Toryism. Some observers say Bevin and Winston Churchill can each count on more support from the other, than he can from members of his own party. London Calling, by Adelphi (p. 14).

Canada on Guard

Canada is linked today, in a joint defense partnership with Britain and the United States, in the event of another World War. The Dominion's role is to maintain a small but highly trained highly-specialized force; also to promote standardization and interchangeability of weapons and equipment, among the Anglo-Saxon nations. (p. 13).

Bank Earnings Up

Net 1946 earnings of Canadian chartered banks are likely to be at least as good as in 1945, and probably a little better, The Financial Post is informed. Five banks close their fiscal year Oct. 31, and will report soon. In the last six months, the bank loan trend has been upward, reflecting increased business demands (p. 16).

On Dotted Line

At least five Provinces are reported signing separate tax agreements with Ottawa, with the prospect that two others may follow suit, leaving Ontario and Quebec the only holdouts. Opposition to increased freight rates is growing both in the Maritimes and in the West. Saskatchewan Progressive Conservatives hope to redeem that Province. Provincial Roundup (p. 7).

Big Insurance Jump

Life insurance sales in Canada and Newfoundland in the first nine months of 1946 totalled $872.5 millions, about 50.6% more than a year ago, and 3% more than the total for the entire year 1945. (p. 16).

Packaged Air Conditioner

A packaged air conditioner, with capacity suitable for stores, offices, restaurants, barber shops and other small plants, has been demonstrated in the United States, with 1947 deliveries promised. A new water heater, operating automatically on fuel oil, is also on the U. S. market. What's New in Business (p. 12).

Woos Canada's Aid

Newfoundland looks to Canada to help her expand her export trade, in order that she may be able to buy more from this country. This is one of several lines of policy laid down by the Newfoundland fisheries committee, in its report to the National Convention in St. John's (p. 8).

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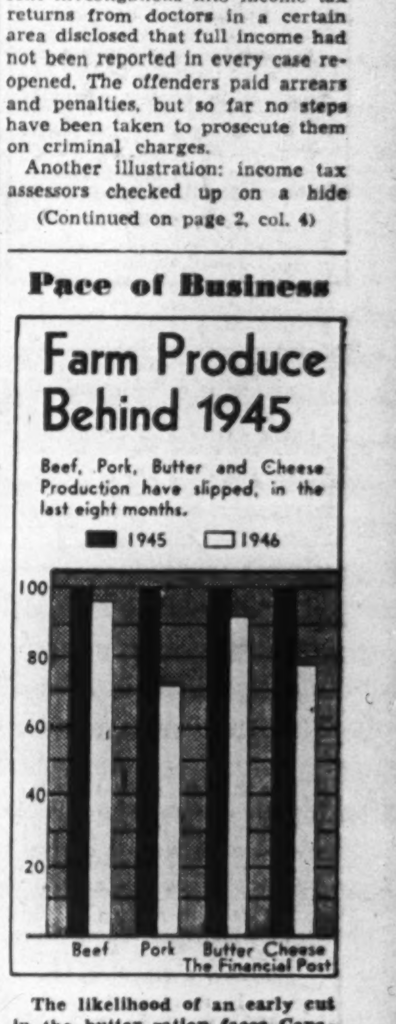
Pace of Business



The likelihood of an early cut in the butter ration faces Canadians this month. Chart above, giving comparative production records for the first eight months of 1945 and 1946, shows one reason why. Butter output has dropped 7.6%, cheese 22%, hog slaughterings 28% and cattle slaughterings 3% while demand is at least equal to, if not greater than, a year ago.

Rise and Fall of Beaulieu Stock Artificial But Legal, OSC Reports

Behind last spring's notable market gyrations in shares of Beaulieu Yellowknife Mines is the story of a market operation which eventually proved a financial boomerang for the company's financial backers. So the official release of the Ontario Securities Commission on results of its Beaulieu investigation shows.

Although the Commission reports that the Beaulieu market was "an artificial one maintained by Jobson (a New York sales expert) on behalf of himself and the Ciglen group," the Commission declares that it could find no evidence that the Ciglen group "used deceit, falsehood or other fraudulent means to achieve their purpose."

But with the over-all Beaulieu evidence on short selling and other activities before it, the Commission has made recommendations to the Toronto Stock Exchange for adoption of several new practices or policies. These include: a closer check on any evidence of market manipulation (with disciplinary action where necessary); improved supervision and regulation of short selling practices; completion of semi-annual brokerage audits by approved accountants rather than member firm staffs; more uniform and more complete brokerage stock transaction records.

(President J. B. White of the Toronto Stock Exchange, commenting on the report, points out that the Exchange instigated the investigation and declares that the report is being studied with a view to ascertaining what steps can be taken by the Exchange "to prevent a recurrence of such an incident.")

Outlines Original Setup

Detailing the early history of the Beaulieu Yellowknife property, the Ontario Securities Commission report (11 closely typed pages) tells how Samuel Ciglen, a Toronto lawyer and mining promoter, became associated with Beaulieu financing. Associated with him in the early financing were four others. The respective financial interests are reported as follows:

	% interest in deal
Samuel Ciglen, lawyer	20
Emil Schnee, engineer	20
Isadore Levinter, lawyer	20
I. J. Isbell, promoter	15
Benjamin Luxenburg, lawyer	12½
Douglas Manly	12½
	100

By taking down stock under an option to satisfy part of the original purchase price and by securing release of 500,000 vendor shares, the Ciglen group started off with 900,000 free shares of Beaulieu at an average cost of only three cents a share. They also held options on further shares at prices ranging from 15c to $2.

But despite the low average cost and the large holding of free shares, the Ciglen group eventually found itself behind the financial "eight-ball" after the services of two New York stock sales specialists were enlisted and large and small market operators started selling Beaulieu short.

Used "Pinpoint" Drilling

Publicity put out by the company played a great part in the over-all selling picture, the Commission found. Of Beaulieu drilling, the Commission report declares:

"Full responsibility for the spotting of the hole must be attributed to Schnee. On his own admission and from our examination of the property, we find that the drilling at that time can only reasonably be described as 'close' or 'pinpoint.' Extremely high values were, of course, obtained as the drills were going into a shoot which was known to be very rich. Schnee claims that such 'close' drilling was necessary to outline the extent of the ore body. That may be so, but the publication of the extremely high assays which resulted would, and did give, the inexperienced and uninformed shareholder or mining speculator, an unreal and overoptimistic picture of the property. It must be said, however, that any shareholder experienced in mining matters, could always have ascertained the true picture from a

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Subsidy-Tariff Issue Before Trade Meeting

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ter headings fall in nicely with the terms of reference of the five subcommittees.

Here is a brief summary of the work done by the subcommittees to date:

Employment and Economic Activity. This is the most important committee from the viewpoint of a number of countries with dependent economies. It has been emphasized by all nations that full employment must not be attained by exporting unemployment. Full employment must create corresponding effective demand which will be realized in a high level of imports.

Article 5 of the suggested charter declares that no member of the proposed International Trade Organization "shall maintain or expand its employment by adopting measures which would have the effect of creating unemployment in other countries or which are incompatible with undertakings designed to promote an expanding volume of international trade and investment."

Industrially undeveloped countries like India and the Lebanon point out, however, that it is practically impossible for them to pursue a policy of industrial development without causing some degree of unemployment or dislocation in more highly industrialized countries which are already producing for export the goods which these new countries wish to produce themselves.

These underdeveloped countries feel that the more highly industrialized countries must make some sacrifices in this respect.

A number of suggestions have been made in this committee for the promotion of full employment.

One is that international arrangements for financing the industrially underdeveloped nations should be timed in relation to an over-all employment policy. Cheap money policies should be pursued where necessary to stimulate investment at home and encourage imports. The demand for the goods and services of countries whose economy is depressed should be maintained with the emphasis on effective demand.

Restrictions, Regulations and Discriminations. All the nations are agreed on the need to reduce if not eliminate restrictions on international trade. But in this committee attention has been focused on the qualifications to the general rule, rather than on the rule itself.

There are a number of obvious exceptional cases.

1. War devastated countries where import restrictions are necessary during a transitional period of undefined length, while the economy is being restored. France, and to a certain extent the U.K. are examples of this.

2. Industrially underdeveloped countries which have to maintain import controls as well as internal investment and consumption controls, in order to follow a planned and orderly development of their economy.

3. Certain countries wish to make an exception to the unconditional most-favored-nation treatment, to exclude certain geographical areas from which, under special circumstances, imports are made. The importation of sugar from Cuba would fall into this category.

The Second Committee is trying to get compromise formulae to meet these points of view. It will then get down to drafting new clauses to embody in the charter.

Industrial Development. This committee was set up to co-ordinate suggestions made in committees one and two that affected the industrial development of industrially backward countries. It is under the chairmanship of Mr. Malik of India. It is seeking to get specific suggestions, not general statements from delegates on this question, and will report back to its two parent committees.

Restrictive Business Practices. This committee has not met as frequently as some of the others, but there is a broad area of agreement on its terms of reference among the nations.

Intergovernmental Commodity Arrangements. The general emphasis in this committee has been on increasing the effective demand for primary commodities as the best means of maintaining stable and economic prices. The whole trend of discussion as far as food is concerned has followed that of the FAO—raising nutrition standards and increasing consumption.

Organization and Administration. The least progress of all has been made on this committee as its work is more or less conditioned on the outcome of the deliberations of the other committees.

It is not expected that there will be much controversy in its deliberations. In the course of its work it will have to discuss the membership of the I.T.O., voting powers, the structure and functions of the various administrative organs, etc.

Announcing

Important Appointments in Canadian Industry, Finance, Business and Government.

Associated Screen News Ltd. (Montreal)—Fred G. Egan, manager commercial photographic department.

British Columbia Research Council — H. M. Brownrigg, associate foundry metallurgist.

Customs and Excise Officers' Association — Arthur G. Ross (Montreal), president.

Canadian Association of Tourist and Publicity Bureaus—E. G. Rowebottom (Victoria) president; Hon. Harold Connolly (Halifax), Hon. J. S. McDiarmid (Winnipeg) Georges Leveille (Quebec) vice-presidents.

Canadian Association of Advertising Agencies—J. E. Mumford, P. H. Boultbee, representatives on Canadian Circulations Audit Board.

Carbide & Carbon Chemicals Ltd. (Toronto) — Geo. D. Garrett, Jr., sales manager, chemicals division.

Commonwealth Electric Corp. (Welland)—I. C. Ingimundson, vice-president and general manager; J. N. Stanley, vice-president.

Canada Life Assurance Co.—J. T. Norton, West Coast supervisor of group insurance sales (Vancouver).

Canada Life Assurance Co.—W. M. Jacobi, educational supervisor.

Denton Massey Motors Ltd. (Toronto)—Denton Massey, president; Andrew Blair, general manager.

Glidden Co. (Toronto) — R. T. Hawkins, advertising manager.

International Braid Co. of Canada (St. Rose de Laval)—A. Raymond, vice-president and general manager.

Life Underwriters Association of Canada — A. G. Nairn, executive vice-president; L. W. Dunstall, manager and secretary.

Linde Canadian Refrigeration Co. (Montreal)—J. H. C. McGarry, vice-president.

Manitoba Social Credit League—Emil Johnson (Winnipeg) president; W. A. Parenteau (St. Pierre), vice-president; Miss S. Haldorson (Transcona) secretary; Henry Gorlach (Winnipeg) treasurer.

National War Labor Board—C. A. L. Murchison, chairman.

Ontario Hospital Association—Miss Priscilla Campbell (Chatham) president; Dr. M. J. McHugh (Weston, Ont.), Mother M. Pascal (Chatham), H. H. Browne (Fort William) vice-presidents.

Ontario Government — Lorne S. Campbell, industrial engineer, Planning & Development Dep't.

Odeon Theatres of Canada Ltd. (Toronto) — Geo. W. Peters, a director.

Ontario Registrars' Association—A. Graham (Brantford) president; G. V. Hilborn (Kitchener), L. LeSuerre (Sarnia) vice-presidents; T. Flanagan (Ottawa) treasurer; J. V. Graydon (Picton) secretary.

Rolph, Clark, Stone (Toronto)—John Kennedy, comptroller; Gordon G. Rolph, assistant sales director.

Royal Bank of Canada — A. F. Mayne, C. B. Neapole, general inspectors.

Reliance Chemicals Ltd. (Montreal)—R. E. Meagher, director and manager.

Harold F. Stanfield Ltd. (Montreal)—R. H. Geary, Alan Slayton, directors.

Super Oil Seal Mfg. Co. (Hamilton)—Geo. W. Harper, vice-president.

Snap-on Tools of Canada Ltd. (Long Branch, Ont.)—Arlington W. Clark, general manager.

Saskatchewan Progressive Conservative Association—S. W. Nichols (Indian Head) president; H. O. Wright (Saskatoon), Mrs. Harry Smith (Craik), Roy Deyell, (Alameda) vice-presidents.

Tax Control Records (Canada) Ltd. (Toronto)—J. K. McCausland, E. W. Bickle, J. Allan Ross, directors.

Wallace Barnes Co. (Hamilton)—A. R. Clarke, treasurer and director; F. J. Beattie, secretary and director; D. M. Park, director.

Wartime Prices and Trade Board—K. W. Taylor, senior deputy chairman; F. S. Grisdale, foods co-ordinator.

Western Union International Communications—J. M. Barbour, manager in Canada (Toronto).

Higher Steel Prices Needed

(Continued from page 1)

finished steel accumulated during the strike, he felt, would go a long way toward enabling finishing plants to maintain maximum production for the remainder of the year.

"We deplore deeply the great loss of wages suffered by so many employees," he said. "It is our opinion that, had collective bargaining been sincerely pursued and followed by a properly supervised vote, no break would have occurred in the long record of harmonious relations the company has enjoyed with its employees."

No Accurate Appraisal Yet

Referring to the company's earnings position, Mr. Hilton said:

"Your company's earning capacity has been improved but slightly compared with the situation which existed prior to the advances in steel prices. Because access to the company's offices was prevented through the strike, we are not yet in a position to appraise the situation exactly.

"Construction work on the new coke ovens, blast furnace boiler house and cold strip mills, held up by the strike, has been resumed. But the time lost during the summer months combined with the prevailing shortage of materials, will delay completion of these projects well beyond the dates originally estimated."

Income Tax

(Continued from page 1)

dealer who bought his hides from butchers. Then they found a number of butchers who had sold him hides had not entered the cheques in their accounts to escape tax. At least two have been prosecuted.

In addition to these cases under Sec. 80, a number of tax deduction prosecutions have been pressed under Sec. 92. This involves employers who fail to make correct returns or collect taxes from employees affected by pay-as-you-go regulations.

NOTICES

THE DOMINION BANK

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto, on Wednesday, the eleventh day of December, 1946, at 2.30 o'clock, p.m.

By Order of the Board.

ROBERT RAE,
General Manager.

Toronto, 21st October, 1946.

More Bricklayers, Carpenters, is Cry

From Our Own Correspondent

WINDSOR—Shortage of skilled building tradesmen appears likely to worsen with current gradual increase in construction supply volume. It is already bad in this border city.

Lack of workers, not materials, threatens to delay 113 rental houses being built here by Sterling Construction for Housing Enterprises of Canada, year-old building organization of the life insurance companies.

"We have eight bricklayers where we should have 50," says Sterling's President - manager Louis A. Merlo. "We have all the lumber we need, all the millwork, blocks and brick; but we need bricklayers and carpenters to finish the houses."

All 9 Provinces Might Accept

(Continued from page 1)

ters as: the basis of computing the all-important "gross national product" factor in computing provincial subsidies; the basis for royalty taxation of mining and lumbering corporations; the disposition of "water rentals."

Chief difficulty about computation of gross national product is that this calculation is changing continuously as improved techniques are found. How should these changes be handled? At midweek it seemed likely that a final adjustment would be made at the end of the five-year period of the agreement and any changes plus or minus, computed and adjusted at that time. As well, provinces would be assured that in no event would they be worse off than the original federal proposal.

In all agreements discussed so far, individual provinces are reported as protected by a "most-favored-Province" clause, which would guarantee their rights in the case of any subsequent adjustments or favors gained by any later individual discussions.

DIVIDEND NOTICES

CANADA WIRE & CABLE COMPANY LIMITED

DIVIDEND NOTICE

CLASS "A" DIVIDEND No. 44

TAKE NOTICE that a Dividend of $1.00 per Share on the outstanding Class "A" Common Shares of the Company has been declared as Dividend No. 44, payable December 15th, 1946, to Shareholders of record at the close of business November 30th, 1946.

By Order of the Board.

A. I. SIMMONS,
Secretary.

Toronto, October 22nd, 1946.

HALLNOR MINES, LIMITED

(No Personal Liability)

DIVIDEND NOTICE

NOTICE is hereby given that an interim dividend of Fifteen Cents (15c) per share, payable in Canadian funds, has been declared by the Directors of Hallnor Mines, Limited (No Personal Liability), payable November thirtieth, 1946, to Shareholders of record at the close of business November eighth, 1946.

By Order of the Board.

J. R. BRADFIELD,
Secretary.

Toronto, October 24, 1946.

Imperial Tobacco Company of Canada, Limited

DIVIDEND

NOTICE is hereby given that an Interim Dividend (No. 170) of ten cents (10c) per share on the paid-up Ordinary Shares of the Company has been declared payable on Tuesday, the 31st day of December, 1946, to shareholders of record at the close of business on Tuesday, the 12th day of November, 1946.

By Order of the Board.

A. L. ROBERTSON,
Secretary.

Montreal, P.Q.
25th October, 1946.

WAITE AMULET MINES, LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that an interim dividend of Twenty-five Cents (25c) per share, payable in Canadian funds, has been declared by the Directors of Waite Amulet Mines, Limited, payable December 10th, 1946, to shareholders of record at the close of business November 8th, 1946.

By Order of the Board.

J. R. BRADFIELD,
Secretary.

Toronto, October 24th, 1946.

Parmenter & Bulloch Mfg. Co. Limited

DIVIDEND NO. 1

NOTICE is hereby given that a dividend of $2.00 per Share on the outstanding common Shares of the Company has been declared, payable on and after the 15th day of November, 1946, to holders on record at the close of business on the 31st day of October, 1946.

Dated at Gananoque, Ontario, this 21st day of October, 1946.

T. J. DELANEY,
President.

Little Long Lac Gold Mines Limited

25 King Street West,
Toronto, Ontario.

DIVIDEND NOTICE
Dividend No. 24

Notice is hereby given that a dividend of 4c per share has been declared by the Directors of Little Long Lac Gold Mines Limited, payable in Canadian Funds, pending approval of the Foreign Exchange Control Board, on December 16th, 1946, to shareholders of record at the close of business, November 25th, 1946.

By Order of the Board,

JOHN T. BOWLES,
Secretary-Treasurer.

October 25th, 1946.

Joburke Holes Hit "Jackpot"

Eight Holes Give Widths and Values Up to $14.73 Over 45 Feet

The best initial set of drill holes to be secured on a new Ontario gold mining property in years has been secured by Joburke Gold Mines, the company which took over the Groundhog River find of Rush Lake and Berwick Gold Mines and in which each of these companies now owns 415,000 shares.

No. 1 drill hole, put down with the company's own drill, returned $11.12 over 59 ft. under trench No. 3 which had given 0.41 oz. over 20 ft. in surface sampling. Holes Nos. 2 and 3, 40 ft. west and 25 ft. east of the hole No. 1, gave $14.73 over 44.5 ft. and $5.13 over 32 ft.

Cut Ore to East

Drill hole No. 101, drilled under contract, was drilled under trench No. 1 located about 400 ft. to the east of trench No. 3. A 30-40-ft. width in trench No. 1 had given values up to 0.21 and 0.20 oz. Intersections secured in the drill hole were: $13.60 over 18.2 ft., $7.35 over 7.5 ft., $9.82 over 26 ft. and $8.40 over 3.1 ft.

No. 102 hole, which is approximately 125 ft. west of No. 2 drill hole, gave an intersection of $13.17 over 25 ft. No. 103 hole 30 ft. west of No. 102 gave $5.70 over 4.9 ft. and $11.72 over 13 ft.

No. 104 hole 25 feet east of No. 102 showed low values.

No. 105 hole, 25 feet east of No. 101, returned values as follows: $4.20 over 24.8 ft.; $5.60 over 2.0 ft., $8.75 over 2.0 ft. and $2.43 over 10.0 ft.

No. 106 hole proved one of the best. It gave $7.11 over 18.8 ft. and $9.96 over 11.0 ft. Alternatively it is calculated that the average is $4.12 over 75.3 ft. It is 30 feet east of No. 105.

Drilling operations are proceeding rapidly with four drills on the property.

DIVIDEND NOTICES

THE BANK OF TORONTO

DIVIDEND NO. 261

Notice is hereby given that a Dividend of Twenty-five cents per share on the Paid-up Capital Stock of this bank, together with an additional Twenty cents per share, making Forty-five cents in all, has been declared for the current quarter, payable at the Head Office of the bank and its branches on and after the Second day of December next, to shareholders of record at the close of business on November 15, 1946.

By Order of the Board.

B. S. VANSTONE,
General Manager.

Pamour Porcupine Mines, Limited

DIVIDEND NOTICE

NOTICE is hereby given that an interim dividend of Three Cents (3c) per share, payable in Canadian funds, has been declared by the Directors of PAMOUR PORCUPINE MINES, LIMITED, payable December 7th, 1946, to shareholders of record at the close of business November 7th, 1946.

The Directors wish to bring to the attention of the shareholders that since the loss of the ten per cent (10%) premium on exchange early in July no net profit has been realized.

By Order of the Board.

J. R. BRADFIELD,
Secretary.

Toronto, October 23, 1946.

Loblaw Groceterias Co. Limited

NOTICE is hereby given that a quarterly dividend of 25 cents per share and a bonus of 12½ cents per share on the Class "A" shares and a quarterly dividend of 25 cents per share and a bonus of 12½ cents per share on the class "B" shares of the Company have been declared for the quarter ending November 30th, 1946, payable on the 2nd day of December, 1946, to shareholders of record at the close of business on the 5th day of November, 1946. The transfer books will not be closed. Payment will be made in Canadian Funds.

By order of the Board.

R. G. MEECH,
Secretary.

Toronto, October 24th, 1946.

BANK OF MONTREAL

"working with Canadians in every walk of life since 1817"

DIVIDEND NOTICES

THE STOWELL SCREW COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN that a half yearly dividend of seventy-five cents (75c) per share being at the rate of $1.50 per share per annum has been declared on the Class "A" shares of capital stock of THE STOWELL SCREW COMPANY LIMITED, payable December 2nd, 1946, to shareholders of record October 31st, 1946.

By Order of the Board,

ALEX. M. MORRISSEY,
Secretary.

Montreal, P.Q.
October 23rd, 1946.

Argus Corporation Limited

Dividend Notice — Preferred Stock

Notice is hereby given that a dividend of One Dollar and Twelve and One-half Cents ($1.12½) per share on the outstanding 4½% Cumulative Convertible Redeemable Preference Shares in the capital stock of the Company has been declared payable on the second day of December, 1946, to shareholders of record at the close of business on the thirty-first day of October, 1946.

By Order of the Board,

R. W. FINLAYSON,
Secretary.

Toronto, Ontario,
October 24, 1946.

DONOHUE BROTHERS LIMITED

NOTICE OF DIVIDEND

Notice is hereby given that a dividend of $0.25 per share has been declared on the ordinary shares of the Company for the quarter ending 30th November, 1946. The said dividend will be payable on 2nd December, 1946, to shareholders of record at the close of business on the 15th November, 1946.

By Order of the Board,

A. EMILE BEAUVAIS, C.A.,
Secretary.

Woods Manufacturing Company, Limited

Notice is hereby given that a quarterly dividend of Fifty Cents (50c) per share on the No Par Value Common Shares of the Company has been declared for the quarter ending December 31st, 1946, to shareholders of record November 30th, 1946.

By Order of the Board,

R. M. STOTT,
Secretary.

Montreal, October 23rd, 1946.

ALUMINIUM LIMITED

COMMON DIVIDEND

On October 23rd, 1946, a quarterly dividend of $2.00 per share and a special dividend of $1.00 per share were declared on the Common Shares of this Company payable in Canadian Dollars December 5th, 1946, to shareholders of record at the close of business November 7th, 1946.

Montreal, October 23rd, 1946

J. A. DULLEA, Secretary.

DIVIDEND NOTICES

St. Lawrence Corporation Limited

DIVIDEND NOTICE

Notice is hereby given that a quarterly dividend of Twenty-five Cents (25c) per share has been declared on the issued and outstanding shares of Class "A" 4% Cumulative Convertible Preferred Stock of the Company, payable January 15, 1946, to Shareholders of record at the close of business on December 23, 1946, subject to the approval of the Foreign Exchange Control Board.

By Order of the Board,

L. A. TUCKER,
Secretary-Treasurer.

820 Sun Life Building,
Montreal, Que.,
October 24, 1946.

St. Lawrence Paper Mills Company Limited

DIVIDEND NOTICE

Notice is hereby given that a regular quarterly dividend of One Dollar and Fifty Cents ($1.50) per share has been declared on the issued and outstanding shares of 6% Preferred Stock of the Company, payable January 15, 1947, to Shareholders of record at the close of business on December 23, 1946, subject to the approval of the Foreign Exchange Control Board.

By Order of the Board,

L. A. TUCKER,
Secretary-Treasurer.

820 Sun Life Building,
Montreal, Que.,
October 24, 1946.

Lake St. John Power & Paper Company Limited

DIVIDEND NOTICE

Notice is hereby given that a regular quarterly dividend of Fifty Cents (50c) plus a special dividend of One Dollar ($1.00) per share is hereby declared on the issued and outstanding shares of the Common Stock of the Company, payable January 15, 1947, to Shareholders of record at the close of business on December 23, 1946, subject to the approval of the Foreign Exchange Control Board.

By Order of the Board,

C. W. DAVISON,
Secretary-Treasurer.

Dolbeau, Que.,
October 24, 1946.

NORANDA MINES, LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that an interim dividend of One Dollar ($1.00) per share, payable in Canadian funds, has been declared by the Directors of NORANDA MINES, LIMITED, payable December 14th to shareholders of record at the close of business November 15th, 1946.

By Order of the Board.

J. R. BRADFIELD,
Secretary.

Toronto, October 25th, 1946.

The Monarch Knitting Company, Limited

NOTICE OF DIVIDENDS

Notice is hereby given that the following dividends have been declared subject to the approval of the Foreign Exchange Control Board:

On the 5% preference shares:

A quarterly dividend of $1.25 per share for the quarter ending December 31, 1946 payable on and after January 1, 1947 to holders of record at the close of business November 30, 1946.

On the common shares:

A quarterly dividend of 15c per share for the quarter ending December 31, 1946 payable on and after January 1, 1947 to holders of record at the close of business November 30, 1946.

By order of the Board.

D. A. McINTOSH,
Secretary.

TORONTO, October 21, 1946.

TO MANUFACTURERS
planning to locate in a small town

This is an invitation to come to

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"Gateway to The Land o' Lakes"

FREE AVAILABLE BUILDING SITE

adjoining Canadian Pacific Railway and No. 37 Highway
2 acres centrally located

Industries in smaller communities have more contented workers and living costs are lower.

Write for information and descriptive illustrated booklet recently issued.

S. R. CURRY
Secretary, Chamber of Commerce, Tweed, Ontario

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Look for It Here

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Nov. 2, 1946

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Howe Sound	22	Roybar Chib.	22
Hudson Bay	15	Sullivan	22
Kewagama	[illegible]	Surf Inlet Cons.	23
Lapaska	22	Utica	22

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The man we seek is the type of high grade Executive who could assume position as Vice-President, who is now doing a good job in his present position, but is available and willing to make a change to a new one requiring effort and added responsibility, carrying with it corresponding financial rewards as real ability and capacity is proven.

We require a man of high calibre with experience and knowledge of engineering, quantity manufacturing of steel stampings, production line assembly, upholstering, painting, enamelling, etc.

Should also have tact and sound judgment in Labor Relations, preferably man about 35 to 45 years of age, with automotive manufacturing experience.

Our company is sound financially and for many years has shown substantial earnings.

This advertisement is directed to the type of Executive who ordinarily would not answer a blind ad. All applications will be treated confidentially and if interested write us all the Facts, and we will arrange for an interview.

BOX NO. 33, THE FINANCIAL POST, TORONTO

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Wishmaker is a complete furnishing scheme . . . scaled to contemporary living . . . coordinating color and design in furniture, fabrics, floor coverings, wallpapers and accessories. Simpson's Wishmaker Shops will maintain complete sample showings at all times . . . consult our Interior Decorating Department.

Wishmaker is exclusive with Simpson's in Toronto. Coming soon to Simpson's in Halifax, London and the City of Regina.

Simpson's
FIFTH FLOOR

Steel Output Near Peak Month After Strike Ends

(Continued from page 1)

were operating on one shift. Next day all were running two shifts.

On Oct. 14 the two smaller bar mills and the rod mill were stepped up to three shift operation and two days later the strip mill was running two shifts. Finally, on Oct. 21 the sheet mill started up and the entire plant swung into three shift operation.

The company, he said, had 800 carloads of scrap iron, fire brick and other necessary materials, stored on railway sidings "all around Hamilton" during the strike. All were unloaded in the plant within two weeks after the end of the strike. At the same time, steel was shipped out by rail and road transport, while coal and ore came in at the docks.

Today the Stelco payroll stands almost at the pre-strike level of 4,900. All finishing mills are operating on a full-production basis.

Stelco's production level is not quite back to normal. It runs around 70% of capacity, which is 3,000 tons a day or better. Production during the strike ran between 1,000 and 1,500 tons a day.

At the end of this week Stelco expects to blow in the No. 3 blast furnace, so that for a few days it will have all three in operation. But in November, one of the others will have to be torn down for relining. That will take about six weeks.

All the construction work, begun before the strike and interrupted while it was in progress, has been resumed. The Coke Oven Co. of Canada is making good progress on our new bank of ovens and the balance of the new building, reconditioning and repair program is proceeding smoothly.

Algoma Steel Co.: "Our payroll is rapidly approaching the prestrike level, which stood at more than 4,000. Some men found other permanent employment during the strike and have not returned when called. But until we put in a full call for all our men to return, we will not know how many we have lost. The number will not be embarrassingly large.

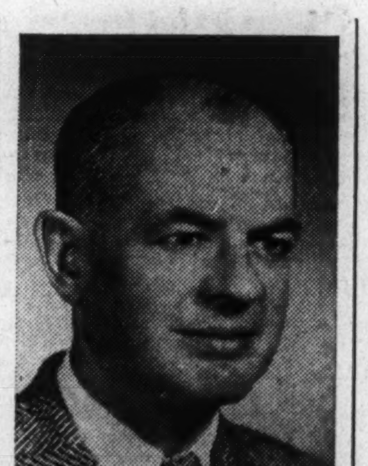
"Practically all material unshipped in our yards when the strike was called, has been shipped. We had just a normal amount on hand, and no difficulties have been encountered in shipping it or new steel. Our normal customers, the same people we served before the strike, are getting all of it.

"The first new steel was poured on Oct. 21, only 16 days after the strike ended. We have had a considerable amount of repair work and reconditioning to do, particularly around the furnaces; but this is coming along in good shape. We have not undertaken any new construction program of a magnitude comparable to Stelco's.

"Our coal reserves appear adequate to see us through the winter and, unless we have an abnormally early freeze, we expect to be able to bring in adequate supplies of ore."

Dominion Steel & Coal Co.: "Full production from Dosco is expected in about two weeks. Blast furnaces were not let out entirely during the strike, and the coke ovens were kept going sufficiently to keep them from deteriorating. Open hearth furnaces, where iron is converted to steel, were cold, and have to be brought up to proper temperature.

"Delays caused by a dispute over the number of employees on the coke ovens hampered the return to production, since coke is required for blast furnaces. In addition, other processes have to be integrated to these basic processes, and until all units are at full production, none can go all out."



LORNE S. CAMPBELL

has been appointed industrial engineer, attached to the trade and industry branch of the Ontario Department of Planning and Development.

D. M. PARK

has been appointed a director of Wallace Barnes Co., Hamilton.

Find Beaulieu Bubble Artificial But Legal

(Continued from page 1)

careful perusal of the entire reports issued by the company."

Beaulieu shares were listed Nov. 23, 1945. Shares had risen to 78c. by Mar. 1, 1946. The Ciglen group benefitted by the rise and $52,250 was distributed to members. The original investment was about $30,000. The group still held 786,975 shares and had placed $150,000 in the Beaulieu treasury through exercise of options.

On Mar. 1, 1946, the Commission reports that Ciglen entered into an agreement with A. H. Jobson, of New York City. He is termed by the Commission as a "self styled 'professional market operator,'" who, Ciglen thought, could secure distribution of Beaulieu shares. Jobson received an option from the Ciglen group on 950,000 shares at 65 cents to $2 a share. Accounts were opened with Harold A. Prescott & Co. and Picard & Fleming, Toronto brokers, under the name of C. Silverman, (a secretary of Mr. Ciglen) for the purposes of Jobson's operation, the Commission reports. It finds that Jobson was always directed by Ciglen in his handling of the market although Ciglen takes the position that the agreement was made with Jobson to relieve the Ciglen group of the bother of the market operation.

Situation Became Precarious

During March, 1946, while Beaulieu shares rose from 78 cents to $1.44, sales of 467,800 shares by Jobson exceeded purchases by 119,100 shares; the account actually was then "short" 19,100 shares for a $53,136 credit balance. April proved a month of rumors, the Commission states, adding that while Beaulieu rose to $2.07 on April 4 the Silverman account had to buy in 187,300 shares on balance on April 3 and 4. The account is then stated to have reached a precarious position with $340,598 owing against 154,000 shares held. By April 8, the Ciglen group and Jobson had put up $200,000 cash to put the Silverman accounts in good standing.

About this time, a John Val Allen of New York City appeared on the scene. The Commission declares "Van Allen appears to be a professional market operator or financial agent" and that he and his wife have now left this continent. Van Allen apparently convinced Ciglen that he could place stock and was given a call on a block of stock below the market, it is stated. The Commission reports that Ciglen understood that the stock would be placed for at least a six months' period. Altogether Van Allen purchased 298,000 shares of which 225,000 shares were from the Silverman accounts at 90 cents to $2 a share. Average cost of Van Allen's Silverman stock was $1.38 a share. The Commission calculates that Van Allen made a profit of approximately $195,000 on his Beaulieu trading. But the Commission found that Van Allen had been dumping his stock back into the market—at the expense of the Silverman account. The Commission explains further:

"From our examination of Van Allen's accounts, it is obvious that he acquired the Beaulieu shares for the sole purpose of unloading them on the market at a substantial profit. The stock was disposed of on the market so rapidly that his accounts showed a short position for the greater part of the time he was interested in the stock. There appears to have been very few, if any, attempts to place the stock. Since the market was being maintained through the buying in the Silverman accounts, it is apparent that the bulk of Van Allen's profit was made at the expense of these accounts.

On April 17 the account of Prescott & Co. was again reported in an unsatisfactory position with $276,065 owing against 204,000 shares. The Ciglen group then transferred 250,000 shares free to the account to take care of the situation.

Short selling became a major factor in the market and—although the price continued upward—the Commission found that the market really broke on May 16. Ciglen on that date was forced to phone Prescott & Co. and state that he personally would stand behind the account and that Prescott & Co. was to buy all stock offered and to bid up the price. "This was done and the closing bid price for the day was at the all-time high of $2.64, as compared with $2.30 the previous day," the Commission finds. The Silverman account had to buy 258,900 shares on balance May 16 and a further 103,100 shares the next day. The Commission declares that the Silverman account was again in a precarious position with $828,378 owing against 624,600 shares, adding: "The Exchange auditor, Holland Pettit, on instructions of the Management Committee of the Toronto Stock Exchange, visited Prescott's office with a view to ascertaining Prescott's financial resources and his ability to meet clearings of Monday, May 20. Mr. Pettit told Prescott that the balance in the Silverman account was too large for him to carry since the capital in his and the creditor brokerage firms would be endangered if the account was not paid off. He ordered that buying of Beaulieu for the Silverman account must cease.

Made Deal With Brooks

"At the close of business on May 17, Ciglen found himself at the end of his financial tether. His broker needed $680,000 to meet the clearing on Monday, May 20, and it was apparent that the price of Beaulieu would fall when Ciglen was forced to withdraw his bid. He looked about for financial assistance and after borrowing from his friends and relatives and receiving some contributions from the members of the group, he was still short $228,850. He then approached L. R. Brooks, with the hope of raising the needed money. Brooks at the time had a short position of 44,500 shares, but it must be said that this was not hidden from Ciglen. It was agreed that Brooks would purchase from Ciglen a sufficient number of shares at $1.15 a share (the average cost to Ciglen) to make available the necessary balance to meet Prescott's clearings and accordingly $228,850 was advanced by Brooks in return for 199,000 shares. On the following day Brooks advanced $115,000 to the Silverman account in return for 115,000 shares."

Brooks subsequent trading in Beaulieu realized a gross profit of $40,986, it is stated.

The Securities Commission states that the fact that blocks of "placed" stock were thrown back into the Silverman market indicated ineptitude on the part of the operators of the Silverman accounts and breach of faith on the part of some stock recipients.

While the Commission felt that through Jobson the Ciglen group had created an artificial market in Beaulieu, they did not use "deceit, falsehood or other fraudulent means to achieve their purpose." In the United States, it is pointed out, it would be a crime for one person to manipulate a market — but not in Canada. Short sellers, the Commission found, did not observe regulation No. 46 of the Exchange, nor did the brokers take steps to see that the rule was enforced.

The Commission was unable to find on the evidence that the short sellers conspired with each other in breach of Section 444 of the Criminal Code.

Canadian Hybrid Seed To Be Tried in Europe

From Our Own Correspondent

CHATHAM—As a result of arrangements made this year, Canadian hybrid seed will be given widespread tests in practically all European countries next year. If it proves satisfactory there may be a good possibility of future markets for this seed in several countries, N. D. Mackenzie, supervising inspector of the Dominion Department of Agriculture, disclosed here.

This summer Mr. Mackenzie made a tour of Europe, to investigate marketing possibilities for next year.

"Our seed," he said, "should be suited to a fairly wide distribution in Europe. And due to the good quality of the various seeds shipped to Europe under the auspices of UNRRA and the military authorities we have a good chance of developing a market in Europe for seed corn, both hybrid and open pollinated strains."

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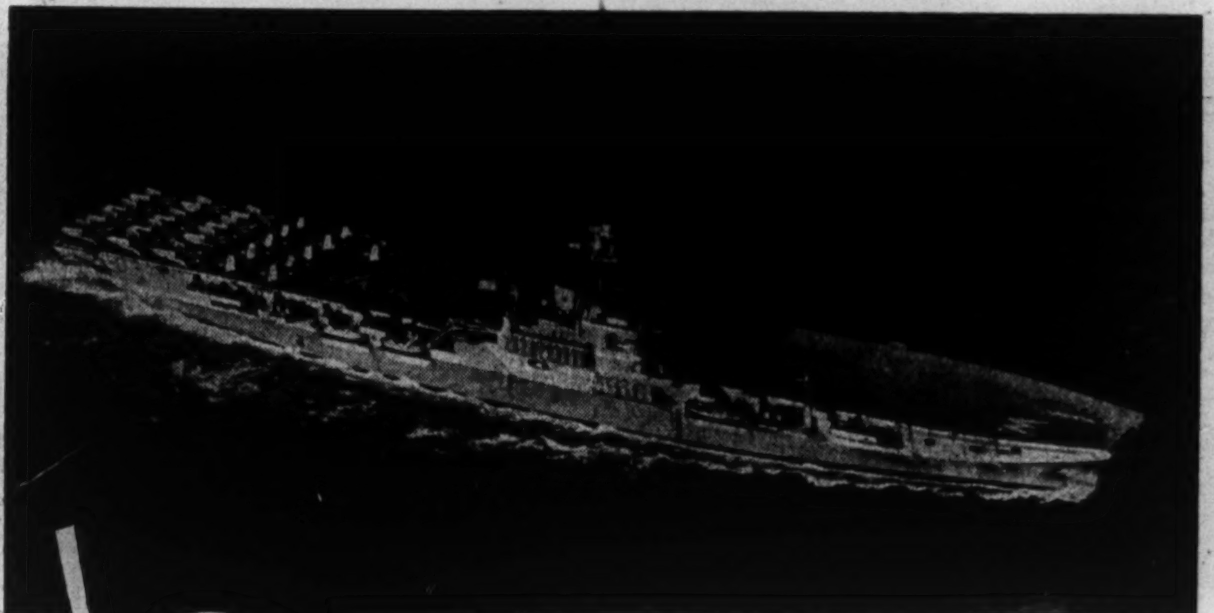

8/9

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Address enquiries regarding above vessels to Chief, Ship Sales Division.

WAR ASSETS CORPORATION
P.O. Box 6099 Montreal Tel. BE. 3771

INVESTMENTS THIS WEEK

Doubt Drop in Ad Linage Means Easier Newsprint

Although the U. S. price of newsprint was boosted to $84 a ton, effective Oct. 11, 1946—its highest price since 1921—the market action of newsprint companies stock following the $10 increase has disappointed most investors. The price of these stocks is up 6.4% in the interval as against 1.8% for the general market (both measured by the DBS indices).

In addition to the general sluggishness of the stock market, a new reason for the softness in newsprint stock is being advanced in some quarters. Those observers who follow newspaper advertising linage as a key to future trends in newsprint consumption began talking about easier newsprint supply conditions soon.

Basis for this observation was the fact that in July U. S. linage had fallen below the preceding month of 1946 for the fourth consecutive month.

However, the declines in advertising linage since March have not lasted long enough nor have they been sufficiently pronounced, to raise serious questions at this stage about the demand for newsprint, others observers feel. The decline in July (last month for which advertising linage is available) only totalled 6.4 million lines or 4.7% and was less than half what could have been seasonably expected, they say. For the first seven months of 1946, U. S. linage at 940.1 million lines was up 25.2% from the corresponding 1945 period.

Other recent statistics released by the Newsprint Association of Canada also are encouraging to newsprint producers, discouraging for publishers. Apparent total U. S. consumption amounted to 378,010 tons in September—up 3.2% from August and 25.8% more than in September, 1945. Apparent total stocks of newsprint in the hands of all U. S. consumers at the end of September totalled 359,224 tons, a drop of 22,137 tons in the month. This is substantially below the 442,959 tons at the end of September, 1945, and the 420,142 tons at the end of September, 1939.

While admitting that the relationship between total newspaper advertising linage and newsprint consumption is a direct one, most observers are not yet prepared to accept the suggestion that the crisis in newsprint will soon be over, and that the next move will be toward an easier supply situation as demands fall off.

• • •

Fed. Grain Reorganization Seen Not Imminent

A highlight of the Federal Grain Ltd. annual report for the year ending July 31, 1946 (see page 8), is the provision for patronage dividends of $661,175—nearly five times the net profit of $135,085. If this had been left with the company and had been subject to a 40% tax rate, it would have meant $396,705 additional to shareholders, and $264,470 to the Government.

Plans for a capital reorganization would not seem imminent as President H. E. Sellers states: "In respect to payment of patronage dividends, it will be some appreciable time before it can be determined what effect this will have on the earnings of the company." In August, Mr. Sellers stated that plans would be dependent on clarification of this point.

Mr. Sellers explains that the patronage dividend is in keeping with the company's policy of giving customers the highest competitive returns on grains delivered to its elevators. The company intends to pay a patronage dividend on 1946-47 deliveries, if earnings permit.

• • •

Appearance of the investment advisory service, **Trends & Timing Ltd.**, which was formerly published under the name of **E. G. Bulmer & Co.**, has given rise to reports that E. G. Bulmer & Co. has gone out of business. Such is not the case. Trends & Timing Ltd. has formed to carry on the advisory section of Mr. Bulmer's business; but the original company, E. G. Bulmer & Co., is still doing a general securities business.

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re-elected president, Canadian Association of Tourist & Publicity Bureaus. Since 1933 he has been deputy minister of Trade & Industry in the British Columbia Government.

Canadian Loco. Work Picks Up

Work in some departments of Canadian Locomotive Co., Kingston, Ont., is already back on a 44-hour week basis although in others, covering about 60% of the employees, it is on a 32-hour week basis, William Casey, president and general manager, tells The Financial Post. All operations will be brought back to capacity as soon as materials are available, he states.

Although steel is in slightly easier supply, Westinghouse equipment and copper is still hard to get. The company is employing around 800 at present as against around 1,000 earlier this year.

The order for 60 locomotives for Belgium was completed the end of July and the company is now working on 20 locomotives for the CPR, Mr. Casey said. Two of the CPR locomotives are finished; 10 more will be as soon as air-brakes become available.

Canadian Locomotive also has an order for 40 locomotives for France, so that capacity operations are ensured to the middle of 1947. The company has been quoting for a number of other orders, Mr. Casey said.

Earnings of Canadian Locomotive were officially estimated at $525,000 after all charges including depreciation taxes and reserve for contingencies, for the first six months of 1946. This was equivalent to $3.29 a common share for the six months, against $1.14 excluding or $4.83 including refundable EPT for the whole of 1945.

The cut in working hours, in effect over three months, together with the trend to higher operating costs, seems likely to mean slightly less favorable results for the second half of 1946.

Saguenay Sees Earnings High

MONTREAL (Staff) — Saguenay Power Co. third quarter earnings, on a consolidated basis, were $1.22 per common share, $3.28 per share for the nine months ended Sept. 30. Comparable 1945 figures were $1.14 and $3.15 respectively.

Saguenay operations this year should total 2,760,000,000 kw.h. of power generated. For the third quarter some 736,000,000 kw.h. were generated, or at the rate of three billion kw.h. per year. These figures are based on the education tax liability of the company to the province, after allowing for $12,000 a quarter as a deductible school tax item.

Saguenay officials admit that 1946 will see the largest generation of power by the company since 1942, or before the Aluminum Co. of Canada drew on its giant Shipshaw power facilities.

Other data revealed in the third quarter consolidated statement of the company were:

Gross operating revenues $391,000, or 26% higher than in the corresponding 1945 quarter;

—Operating expenses, including maintenance and administrative expenses, $318,000, or 90% higher;

—Net earnings $969,000, were 12% lower but

—Net income available for common stockholders was $17,966 higher than in the third quarter of 1945.

Closed 16 Years St. Maurice Opens

MONTREAL (Staff)—Consolidated Paper Co. this week announced the St. Maurice Paper Mill at Cap de la Madeleine which has been idle since 1930 will resume newsprint production shortly. Prior to the war general business conditions did not warrant operation of the mill and during the war the company was not permitted to reopen it. Since then a lack of wood prevented resuming operations.

When operating, St. Maurice plant contained four newsprint machines with combined daily capacity of 263 tons, together with auxiliary equipment for manufacturing ground wood pulp and sulphite pulp. It also contained a sulphate pulp mill with 60 tons daily capacity.

Braz. Traction Earnings Trend Continues Up

The increasing trend in net profits of Brazilian Traction, Light & Power Co. started last April, still continues. Net earnings were up 15.1% for September as against 13.5% for August. Their percentage increase has been larger in each month since April.

Net earnings for the nine months to the end of September were 4.7% higher than a year ago. This could mean a gain of 7.1% for the year if monthly earnings for the final three months show the same percentage increase as the September figure.

On the above assumption and assuming charges and write-offs will be the same as in 1945, net earnings might be over $3.30 a common share as compared with $3.16 a common share for 1945, it is calculated. But the officially reported earnings are "subject to depreciation, amortization and capital charges" and to final adjustment when the annual accounts are made up. Actual results reported depend on the company's year-end decisions.

Here are the figures for September, 1946, and for the first nine months of 1946 as compared with the 1945 period. All 1946 figures are subject to final adjustment when the annual accounts are made up.

BRAZILIAN TRACTION, LIGHT & POWER

September:	1946 $	1945 $	Inc. %
Gross earns.	$7,178,121	$5,567,137	28.9
Oper. expense	4,151,830	2,937,176	41.3
Net earns.*	$3,026,291	$2,629,961	15.1
Nine Months to Sept. 30:			
Gross earns.	$56,432,818	$47,800,263	18.1
Oper. expenses	32,166,205	24,620,574	30.6
Net earns.*	24,266,613	23,179,689	4.7

The operating results as shown in dollars are taken at average rates of exchange.
*Subject to depreciation, amortization and capital charges.

Profits Up 47% For Hunt's Ltd.

Hunt's Ltd. net profit for the nine months ended Sept. 30, 1946, was up 46.8% from the 1945 period, The Financial Post is informed. Sales at $1,674,000 showed an increase of $174,000 despite continuing shortages in many lines.

The company has acquired three additional properties (two in Toronto), on which stores will be built as soon as possible. The addition to the Toronto factory and boiler house is expected to be ready for operation early next spring.

Net profit for the nine-month period, after somewhat reduced provision for depreciation and income and excess profits taxes, was $82,582 ($56,244 for the 1945 period, inclusive of refundable excess profits tax). Share earnings amounted to 61 1/3c. (41¾c. calculated on the same basis, for the 1945 period).

The company at present is operating 32 bakery and confectionery stores in Toronto, Hamilton, Ottawa and London.

Speed Glass Production As Soda Ash Available

From Our Own Correspondent

WALLACEBURG—With production of soda ash resumed at Amherstburg, the Dominion Glass Co.'s plant here plans to call its employees back to work as quickly as possible, manager E. G. Davies, states.

"It will take some time to get our big tanks filled up and lighted," he said, "but as soon as we get back into production we will operate day and night, as usual."

Distillers-Seagrams Net Up 77% Over Last Year

MONTREAL (Staff)—A decided improvement in the sales and net profit position of Distillers Corp.-Seagrams Ltd., is disclosed in the consolidated profit and loss statement for the year ended July 31, 1946. Sales of $477,471,751 were up approximately 19% over last year and net profit of $24,530,122 is up a whopping 77.7% approximately over 1945. Indicated earnings on the common stock after preferred dividends is $2.72 per share excluding appropriation for purchase and cancellation of cumulative preferred stock. Common stock outstanding as at July 31, 1946 is shown as 8,769,350 shares.

In his report to shareholders President Samuel Bronfman pointed out that the costs of refunding the $50 millions 3¼% twenty year debentures of Joseph E. Seagram and Sons, Inc., were charged against this year's earnings. These costs amounted to $3,925,276 or, after income and excess profits taxes, the equivalent of 27c. per share on the common stock.

In a notice accompanying the annual report to shareholders a special general meeting of common shareholders is called for Nov. 14, 1946 to sanction by-law No. 36. Purpose of the by-law is to provide for the redemption of the issued and outstanding shares of cumulative preferred stock 5% series by reducing the authorized capital of the company to the 11,500,000 presently authorized common shares, $2 par value.

According to the balance sheet of the company at July 31, 1946 the consolidated assets are now in excess of $200 millions. Current assets totalling $166,415,946 exceeded all liabilities by $75,117,785 the latter figure representing an increase of [illegible] over last year.

Two new items appear in the balance sheet this year under assets. (a) Advances of $439,777 by subsidiary company for account of certain directors and officers is explained in a note as being an amount which represents the cost of 18,600 shares of Distillers Corp.-Seagrams common stock purchased by Joseph E. Seagram and Sons. Inc. for resale at cost to certain directors and officers. (b) Standing timber and timber leases less depletion shown in the balance sheet at $5,797,539.

Inventories of whiskies and spirits, other products, raw materials, etc., at cost are shown at $101,808,117 at July 31, 1946 compared to $81,495,880 in 1945. An amount of $34,737,604 for government bonds at cost shown in last year's report is not shown in 1946.

President Bronfman states that all alcohol contracts with both the United States and Canadian Governments were cancelled in August, 1945, thus rendering production facilities available for beverage production. He added that the company's inventory program has been severely limited by the world grain shortage.

Parmenter-Bulloch Firm Pays Dividend to Employee-Owners

Production of the 100% employee-owned Parmenter & Bulloch Mfg. Co., Gananoque, Ont., was up 18% in the first six months of employee ownership, A. T. Cornell, vice-president and secretary-treasurer, tells The Financial Post. The company has been operating full-time without laying anyone off during the strike period in other industries, partly due to having good inventory position.

Operating results have been so encouraging that a dividend of $2 a share has been declared payable on Nov. 15. This is the first dividend for the new company. The former company had not paid a common dividend for about four years, Mr. Cornell states.

Sale of this rivet-making firm, formerly known as Parmenter & Bulloch Co., by its former owners to its employees was reported in The Financial Post of April 13, 1946, and represented a novel means of corporation finance. In addition to solving the question of how to dispose of a "family corporation," the transaction employed the payroll deduction technique of the victory loan sales, to permit employees to buy shares in the company.

Paying the $525,000 price for the factory were 210 employees, 80% of whom raised cash of $252,800. Every employee now either owns stock or is buying it on the payroll deduction plan, Mr. Cornell states.

Numerous enquiries as to their method of financing the purchase have been received from Vancouver to Quebec City, Mr. Cornell reveals. Many of the firms were in a similar situation to their own and wished to work out a similar method of sale, he states.

As employees paid $100 a share for their stock, the $2 dividend at the end of six months indicates an annual return of 4% on their investment. But this current declaration is not establishing a fixed rate, as the dividend action will be decided upon each six months, Mr. Cornell points out.

Plans for expansion of sales and for new products, have been tied up by the materials situation caused by strikes in other industries, Mr. Cornell adds. However, the company has established its own export office in Toronto and has sent shipments to some 20 countries. Export shipments are still small, but the company hopes to expand them.

With the shortage of steel, copper and brass, the company has been successful in marketing aluminum rivets, which were first made during the war for airplanes. A good market for these has been developed, with one use being in braking units for the automotive industry, Mr. Cornell states.

Fed. Foundries Orders Improve

Although Federal Foundries & Steel Co., London, Ont., operated at a loss for the first five months of 1946, operations in the last four months have shown a profit, The Financial Post is told. Sufficient orders are on hand to ensure capacity operation through the first quarter of 1947.

Orders are running about 70% domestic and 30% export. Export orders have been received from Europe, South America, Mexico and England. As all orders have been taken on a Canadian dollar basis, they have not been affected by dollar revaluation, it is stated.

There has been a noticeable improvement in business following the ending of the steel strike, The Post is told.

Principal problem for Federal Foundries is labor. At present about 185 men are employed but the company could use up to 210 if available. More men are expected to be available shortly, as farm work drops off, which will enable the company to increase its tonnage.

Bonds and notes outstanding are unchanged since Dec. 31, 1945, The Post is told ($495,000 first mortgage bonds and $50,000 collateral notes).

International Pete Arranging Rights For Large Peru Acreage

A new agreement is in the process of approval between the Republic of Peru and International Petroleum Co., The Financial Post is informed. Under it, International Petroleum will have authority to explore and develop an area of over five million acres in the Sechura Desert, adjacent to the company's Talara field.

The new agreement has now passed the Peruvian Congress and is before the Senate for ratification, The Post is told.

A new policy toward the exploration of oil resources is reported to have been adopted in Peru, where for several years the investment of foreign capital has been discouraged, and a number of international companies are expected to seek new concessions as soon as Peru's Congress approves the revised oil law which is now under consideration by the Government.

International Petroleum's production from its Talara field in 1945 was 11,278,387 barrels—over 28% of its total gross production. As the new concession adjoins the Talara field, it is considered a promising area, The Post understands.

Move to Unseat Arbitrator Sustained By Quebec Court

MONTREAL (Staff)—Legal action instituted by L. E. Potvin, to obtain dismissal of an action by Montreal Light, Heat and Power Cons., asking that he be removed from the three members board of arbitration set up to decide the indemnity which the Quebec Commission shall pay for the expropriated assets of M.L.H.&P., was ruled out this week by Justice Pierre F. Casgrain in the practice division court.

This does not mean, that Potvin has been unseated from the arbitration board but merely that the case still stands for hearing on the allegations made by M.L.H.&P. These allegations include:

(a) He (Potvin) is an interested party in the pending arbitration proceedings;

(b) In his official capacity he gave the Hydro Commission advice on matters in dispute;

(c) He has favored maintenance of the commission's offer on the basis it was made to the company and he contributed information which helped form the basis of the offer.

In ruling against Potvin's application to have M.L.H.&P.'s action dismissed, Justice Casgrain said that according to the code of civil procedure an interested party in arbitration proceedings could attack the appointment of an arbitrator for reasons of "intimacy, interest domesticity or other employment in the service of one of the parties to the arbitration."

While no precise date has yet been set for arbitration proceedings the interested parties, by these preliminary legal skirmishes, are clearing the way should the expropriation matter go to arbitration. It is understood that negotiations between the Commission and shareholder groups of M.L.H.&P. are still continuing.

Hear Donnacona To Get New Limits

MONTREAL (Staff)—Observers here feel there may be more than usual significance in the report that Donnacona Paper Co. will get 400 square miles of timber limits under an order in council passed by the Quebec Government this week. Legislation enacted in the last session of the Quebec legislature provided for a more economical grouping of forest limits in view of the location of paper mills in the province.

As far as Donnacona is concerned, this report has added new fuel to street rumors, that U. S. publishing interests were thinking of acquiring control of the company's assets or capital stock. Market activity in Donnacona stock has been particularly keen during the past few weeks and observers wonder if acquisition of the timber limits may not be the key to the mystery. Officials of Donnacona have consistently denied any knowledge of any impending deal with U. S. interests.

ST. LAURENT, QUE. recently sold $167,500 of 2½-3% bonds to a syndicate including Banque Provinciale, Savard, Hodgson & Co. and Paul Gonthier & Co. at 99.02, to cost the corporation 3.028%. Next step will be for the Montreal Metropolitan Commission to ratify the sale. Bonds are serial, 30-years and carry 2½% interest for the first 10 maturities and 3% for ensuing maturities. Dated May 1, 1946, they may be redeemed by anticipation. Proceeds will be used for waterworks, sewers, sidewalks and pavements.

CANADIAN PACIFIC RAILWAY CO. reports gross traffic earnings for the week ended Oct. 21 at $6.4 millions, $227,000 or 3.5% lower than in corresponding 1945 period.

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A graduate in Commerce and Finance from the University of Toronto with five years' head office actuarial experience, and a Chartered Life Underwriter, Mr. Elder is a recognized authority on estate planning.

He is a member of the King Street Agency of the Company, with offices in the Canadian Bank of Commerce Building.

LACHINE, QUE. last week sold $885,600 of 2¼-2½-3% serial bonds to a syndicate headed by L. G. Beaubien & Co. at 98.77, to cost the municipality 3.031%. Nearly one third of the total issue is earmarked for redeeming before maturity, 4% bonds outstanding. Issue was made up as follows: 2¼% interest for $130,800 of maturities up to 1951 inclusively: $155,500 of 2½% bonds maturing from 1952 to 1956, and 3% for $599,300 of maturities from 1957 to 1962.

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Buying Level Will Come Compton's Manager Says

Compton's manager answers a subscriber's criticism concerning the value of Government bonds as a hedge for the rest of the account. He admits that these bonds will not necessarily always remain "as good as cash" but states that it is not the intention to hold the bonds for an indefinite time; only until opportunities are provided to buy common stocks on a satisfactory basis.

Compton's Manager Says:

As you are now receiving a yield (on book value) of 2.96% on your holdings of Dominion Government bonds, we do not see that there would be any advantage—marketwise—in "switching" a portion of your Dominion Government bonds to the new issue of 2¾% 1956 bonds, now being offered to investors at par. Any surplus cash, over and above your personal requirements, however, will be invested in the new Dominion bonds after Nov. 1, 1946.

As a shareholder of Canadian Wirebound Boxes you will be interested in the announcement by President A. M. Dunn, that the directors have under consideration, payments of arrears on the class "A" preferred shares at an early date. A payment of 37½c. per share on account of arrears, together with the regular quarterly dividend of 37½c. per share was made on Oct. 1. Arrears on the class "A" preferred stock—after the payment on Oct. 1—amount to 87½c. per share. Earnings for the fiscal year ended April 30, 1946, amounted to $2.83 per share on the Class "A" stock, or almost double the annual dividend requirements of $1.50 per share.

During the period from Aug. 16 to Oct. 15, you received dividends amounting to $120.63. As was agreed upon, we transferred $25 to your personal account for living expenses. The balance — $70.63 — has been transferred to your cash account, which on Oct. 15 amounted to $114.79.

A subscriber writes concerning the wisdom of Compton's and MacNab's depending so much on Dominion Government bonds as a hedge for the rest of their accounts:

Bonds as a Hedge

"Dominion Government bonds are suggested as being as good as cash, but are they? I understand that around 1921-22 Dominion bonds were selling around $80 and United States bonds below $50.

"The Dominion Government is now Big Business. They will buy their own bonds in an endeavor to keep them at par value. With the billions of bonds in the hands of financial institutions and the Canadian people, just how far will the Government go in keeping the bonds at par when the United States bonds take a substantial drop in price?

"Many years ago, experience proved that the purchasing value of the English pound dropped when there was less than 40% gold coverage. The United States bonds and currency are now supposed to have a 20% gold coverage. What coverage have the Canadian bonds and currency?

"The economists, with a historical background have been unloading for two years or more. The rank and file are now acquiring the experience."

Here is Compton's manager's reply:

"We do not take it for granted that Dominion Government bonds are and will always remain 'good as cash.' But Mr. Compton is not buying Dominion Government bonds to hold them for an indefinite time—or even until the various issues reach maturity. The current slump in the stock market will ultimately give Mr. Compton opportunities to buy common stock on a really satisfactory basis: when it is possible to do this, he will sell his Government bonds and buy shares with the proceeds.

"We have no means to know how far, or for how long a time, prices on the stock market will continue to fall. The current downward movement may soon be reversed; or it may be tiresomely prolonged. But as an extreme limit, we would expect a decisive recovery to begin no longer than, say three years from now—probably much sooner.

"During so short a period as three years, we do not think that Mr. Compton's holding of Dominion Government bonds will expose him to serious risk, marketwise. Further than that distance ahead, it is not necessary for us to form an opinion on the subject."

The Compton Account Now Stands

No. of Shares	Security	Cost per sh.	*Market per sh.
	Common Stocks	$	$
10	Can. & Dom. Sugar ..	22	21¾
5	Consumers' Gas	140	166¼
5	Goodyear	95½	106
15	John Labatt	20	25¾
35	Montreal Locomotive .	18	17¾
35	Southam	13	17
60	York Knit. Mills	11¾	13
	Preferred Stocks		
30	Can. Wire BBox, A ...	23¾	24¾
25	E. B. Eddy Co., $1	22	20¾
5	Int. Metal Ind., 4½%.	100	103
25	Riverside Silk, A	33½	30
30	D. Stuart Oil	16¼	20
50	McCabe Grain, A	11	10¼
	Bonds		
$800	Can., 3% 1956/59 ...	100¾	104⅝
900	Can., 3% 1957/60	100½	104⅝
1,300	Can., 3% 1959/62 ...	102.98	104⅝
2,000	Can., 3% 1959/63 ...	100	104⅝
Cash			$114.79
Curr. Market Value of Fund ..			$13,009.55
Prospective Annual Income			$518.85
Average Yield on Original $10,000			5.19%

*Bid price on Oct. 15, 1946.

Ask Court Bar StockAllotment

A long-standing feud between Harry Goldman, head of the self-styled "Shareholders' Representative Committee of Harding Carpets" and John S. Dickson, president of Harding Carpets, Toronto, has culminated in legal action.

Goldman has filed a writ in the Supreme Court of Ontario asking that an allotment of Harding Carpets shares issued to Dickson on June 13, 1945, be declared null and void. It further asks that Dickson be required to return the shares, together with any dividends paid thereon.

The action arises out of a stock offering to company executives or "key employees" at $5 a share, made early in 1945, at about the same time as the 1-for-5 rights offering to shareholders. The stock was selling around $7 at the time.

In a letter to shareholders dated Feb. 24, 1945, John S. Dickson, president, stated that the board of directors had decided to raise approximately $250,000 further capital for extensive plant expansion and improvement. The additional capital was to be raised by granting of stock purchase rights to all shareholders of the company, entitling each shareholder to purchase one share for every five held at $5 a share. This would total about 36,200 shares. In addition 13,800 shares would be sold at the same price to key employees in the Harding-Guelph companies, in order that "such members of the staff might have a greater stake in their successful operation."

"It has been the policy of the company for many years to allow executives to participate in offering of shares of the company by way of option or sale," President Dickson told The Financial Post this week. "At any rate the whole matter is now in the hands of the company's solicitor."

"The Shareholders' Committee still stands for the same principles we have already announced," Henry Goldman declared. "We aim to ensure that company money is being spent properly, and that shareholders are getting a just return on their invested capital."

Quebec Power Earnings Seen Highest Since '38

MONTREAL (Staff) — Quebec Power Co. earned $0.32 per share common in the third quarter 1946 against $0.26 per share in the corresponding 1945 quarter. At this rate, per share earnings this year will be higher than at any time since 1938 when $1.16 was earned. On a cumulative nine month basis, earnings per share were $0.855 ($0.783 in the same 1945 period).

Bulk of additional third-quarter earning power was represented by $30,224 saved on fixed charges. Other significant data: gross nine months revenue of $3.6 millions was up $280,000; net earnings after all charges including dividends at $58,358, up $40,067.

DOLBEAU, QUE., recently sold $225,000 of 2½% serial 14-year bonds to a syndicate including Banque Canadienne Nationale and L. G. Beaubien & Co. The municipality received 96.16 for the issue, so that the financing represented a net average interest of 3.074%. Proceeds will be used for redeeming the current 3½% bonds, which contain a clause for redemption by anticipation.

A. R. CLARKE

has been appointed a director and treasurer of Wallace Barnes Co., Hamilton.

Nov. Dividends $5.1 Millions

Total November dividends declared to Oct. 26 amount to $5,123,863. This figure represents payments by 65 industrials, 6 mines, 2 oils and 7 financial companies. November 1945 payments from 30 industrials, 8 mines and 8 financial institutions totalled $5,053,022.

Biggest factor in lower payments was a 20.8% reduction in dividends from mining companies hard pressed since parity move of the Canadian dollar. A number of new listings among industrial companies and reorganizations bringing November dividend dates, considerably counteracted the mines' dividend trend.

Total dividends paid and declared to Oct. 26 for the 11 months amount to $250,658,404.

Monthly Dividends

	1946	1945
January	$27,085,896	$22,985,287
February	8,464,065	8,797,809
March	30,496,833	26,598,221
April	29,061,948	16,810,664
May	9,564,457	8,662,889
June	47,161,639	50,401,634
July	29,561,639	25,645,710
August	12,398,265	12,704,438
September	25,366,117	23,877,931
October	26,373,682	24,084,659
November	5,123,863	5,503,022
Total	250,658,404	226,072,264

Industrials and Utilities

Company:	Rate $	Date	Amount $
Ang. Can. Tel. 4½% pf.	*.56¼q	1	56,250
Atlas Steels	.50	1	83,440
Ault & Wiborg, pfd.	1.37½q	1	6,182
Bertram & Sons, A ...	.25q	15	12,000
Bury Biscuit	†.32q	15	32,000
Blue Ribbon, pfd.	.62½q	1	18,656
B. C. Pulp & P., pf. ..	1.75	1	9,732
B. C. Tel., 2nd pfd. ..	1.50q	1	15,000
Can. Bronze	.37½q	1	30,000
Do., pref.	1.25q	1	9,375
Calgary Pwr., pfd. ...	1.50q	1	88,500
Caldwell Linen, pfd. ..	.37q	1	5,500
Do., 2nd pfd.	.20q	1	5,000
Can. Utilities, 5% pfd.	1.25q	15	187,500
Coast Breweries ..	.03q+.03	1	108,188
Crown Cork	.50q	15	50,000
Capital Estates	†.25	15	57,690
Consumers Glass	.50q	30	159,785
Cosmos Imperial	.30q	15	30,000
Dom. Fabrics	.20q	1	1,400
Do., 1st pref.	.75q	1	7,500
Do., 2nd pref.	.37½q	1	6,750
Dom. Malt.	.25q	1	15,760
Do., 5% pfd.	1.25q	1	8,125
Dom. Tar	.25	1	93,471
Dom. Woollens	.20q	1	29,457
Dist.-Seagram, pfd. ..	†1.25q	1	167,300
Donnacona Paper	.50	1	188,286
Do., 4½% pfd.	1.12½q	15	28,125
Esmond Mills, 5% pfd. .	.25q	1	3,750
Freiman, A. J.	*.12½	1	10,625
Do., 4½% pfd.	1.12½q	1	10,125
Gen. Steel Wares	.20q	15	26,176
Do., pfd.	1.25q	1	62,500
Hayes Steel	.50	7	45,000
Lake of Woods M.	▪.40	15	59,076
Loblaw Groc. Inc.	†.20	30	69,698
McCabe Grain, A	.15q	1	6,737
Neon Prods. W. C., pfd.	1.50s	1	5,023
Ontario Steel	.25q	15	12,110
Do., pref.	1.75q	15	6,304
Orange Crush, pfd.	.35	1	10,500
Penman's	.75q	15	48,388
Do., pref.	1.50q	1	16,125
Purity Flour, pfd.	.62½q	1	55,325
Quebec Pwr.	.25q	25	138,299
Robinson Cotton	.10q	1	15,000
Rolland Paper	.15q	15	9,000
Shawinigan Water	.25q	25	500,998
Sher.-Wms., c.	.15q	1	30,000
Slater, N.	.30q	1	11,250
So. Can. Pwr., c. ..	.20q+.05	15	100,000
Stand. Fuel, 4½%	*.37½q	1	7,500
Stanley Brock, A	.15	1	4,702
Do., B	.10	1	6,270
Steel of Canada	.75q	1	345,000
Do., pref.	.75q	1	194,889
St. Lawr. Flour	.40q	1	14,400
Do., pref.	1.75	1	9,692
Southam	.19q	15	132,500
Westminster Paper	.25s	1	11,947
Wood, A. & J., pfd. ..	1.75q	1	11,375
Zellers	.25q	1	25,000
Do., 5% pref.	.31½q	1	12,500
Do., 6% pref.	.37½q	1	15,000
Total			3,553,765
Mining Companies			
Aunor G. M.	.05	30	100,000
Kirk. Lake Gold	.01	1	53,266
Leitch Gold	.02q	15	57,000
Proprietary Mines	.05	6	45,974
San Antonio G.	.07	5	162,162
Toburn Gold	.01	22	18,500
Total			436,902
Oil Companies			
Canadian Oil, c.	.15q	15	21,564
McColl-Front.	.50	30	38,062
Total			59,626
Financial			
Bk. of N. Scotia	.30q	1	360,000
Can. Bk. of C'merce ..	.20q	1	600,000
Can. Investors Corp. ..	.10q	1	10,000
Comm'wealth Int.	.04q	15	5,933
London & W. Tr. .	1.00+.50	1	18,205
United Corp., A	.37q	15	19,484
Do., B	.25	30	59,948
Total			1,073,570
Grand total			5,123,863

q Quarterly. †N.Y. funds.
s Semiannually.
*Initial. ▪Bonus.

Big Profit Rise For Milton Brick

Net profit for Milton Brick Co., Milton, Ont., for the first six months of 1946 is greater even than that for the entire previous year. Net profit for the six months period ended June 30, 1946, amounted to $21,770. This compared with $21,468 (including $1,966 refundable portion of excess profits taxes) for all of 1945.

The company has been operating at capacity for some time now and is forced to quote six-month delivery on many lines. A sizeable expansion program is under way designed not only to step up production but to adopt the most modern methods in so doing, The Financial Post is informed.

Company operations were hard hit during the war years due to building restrictions and labor difficulties but present high capacity business is anticipated to continue for some time in the light of long deferred domestic and industrial building programs.

BRAZILIAN TRACTION LIGHT & POWER CO. registrars have notified the Montreal Stock Exchange that as at Oct. 21, 1946, there were 7,027,682 shares outstanding.

One Third of Thames Valley Needs Conservation Program

Described as "not a plan, but possible basis of a plan," a report dealing with proposed development of the Thames valley watershed, north of London, Ont., was announced there last week by Ontario Planning Minister Dana Porter.

The report, two years in the making and submitted by Chief Conservation Engineer A. H. Richardson of the Planning Department, details results of survey covering 1,200 square miles on the Thames and tributaries.

More than one third of the area is found to be Class I arable land, needing no special conservation practices; just above one third Class II, needing simple erosion control measures; remainder needing intensive conservation measures, including sharp restriction on pasture and woodland.

Recommended in some detail is a broad program of conservation practices for farmland, pasture, woodlot, wild life and fish. It is not suggested that large-scale reforestation is necessary, but, because wood cutting has been "excessive," planting of 25,000 acres of trees at selected points is urged.

Eight sites are specified as possible storage basins, one at Fanshawe considered in detail. There a $2.6 million dam would create a lake 1½-mile long, a 13-mile recreation park. Of this Mr. Porter cautioned: "Possible effectiveness of this type of structure should be fully weighed before decision . . . not as urgent as some of the other proposals. Moreover, deferrable public works should be held back until times of unemployment."

Other sites (smaller dams): Woodstock, Thamesford, Medway, Flat Creek, Fish Creek, St. Marys, Wildwood.

If further action is decided on, application will be made under Ontario's new Conservation Authorities Act 1946 for the establishment of a Thames Valley Authority.

AluminumIngot Exports Only Half August's

MONTREAL (Staff)—After spurting to 100 million pounds in August, highest postwar total, Canadian Aluminum ingot exports dropped to one third that amount in September, DBS statistics disclose. At 32.6 million pounds, September export shipments represented around 88% of Aluminum Co. of Canada's production in that month; brought total aluminum ingot exports for the first nine months to 241.3 million pounds.

Drop in September exports, however, does not mean that Alcan production in that month was less than in August. August shipments were largely made possible out of inventories accumulated at Alcan's plants, and now very largely drawn down, officials say.

Main significance of September shipments was twofold. First was the sharp drop in shipments to Alcan's two largest customers, the United Kingdom and United States. second was the relatively sharp increase in exports to Belgium and Spain, indicating that shipments to these pre-war markets were finally being resumed.

September exports to the United Kingdom dropped 50% from 57.2 million pounds to 28.2 millions. There was a 90% cut in exports to the United States, from 24.4 million pounds to 2.3 millions.

Dollar value of ingot exports in September was $4.1 millions, bringing the nine months total to $34.3 millions. Average price of ingots, per cwt., dropped from $14.03 for the first eight months to $12.52. Shipments were made to eight countries in September, against 19 countries in August.

In addition to ingot exports, Canada in September exported $350,200 of aluminum rods, sheets, plates, wire, and cable, kitchen utensils, holloware and other manufactured items. Main outlets in September and on a nine months' cumulative basis follow:

Country:	September	Jan.-Sept.
	(000 lb.)	
United Kingdom ...	28,150	106,917
United States	2,308	47,348
Switzerland	nil	16,016
India	nil	14,623
Czechoslovakia	nil	12,964
France	nil	6,960
China	nil	5,609
Belgium	1,135	1,135
Spain	792	792
Totals	32,630	241,342

B.C. Telephone Operates New "Tatlow" Dial Unit

The first step in providing relief for the telephone shortage situation in downtown Vancouver has been taken with installation of a section of a third dial unit, "Tatlow" which was put in service in June, the B. C. Telephone Co. states.

This initial installation gives only partial relief in the downtown area. The company will proceed with its central office installations as quickly as it can obtain equipment, and a second "Tatlow" section is slated into service early next year, while a third installment of equipment is on order.

Installed on the second floor of the company's headquarters building on Seymour St., the first section has 800 lines, far below what was planned. By comparison, Marine and Pacific exchanges now have 14,100 lines.

Copland Brewing Name Is Now John Labatt

Copland Brewing Co., Toronto, Ont., will in the future be known as John Labatt Ltd., it is announced. Since its purchase on June 15, efforts have been directed to brewing a product of the same high standard as Labatt's and this has been accomplished, it is stated.

Labatt's is operating a retail store in connection with the Toronto plant making delivery service of Labatt's products available in metropolitan Toronto directly from the brewery.

MOUNT ROYAL, QUE. came into the capital market last week and, at an average net interest cost of 2.825%, sold $203,000 of serial bonds to a syndicate headed by Gairdner & Co. The bonds, serial 17½ years, carry 2¼% interest for maturities up to 1951 inclusively, 2½% for maturities 1952 to 1956 and 2¾%, 1957 to 1964. The award was made at a price of 98.64. Bonds dated Nov. 1, 1946, may be redeemed by anticipation. Loan was incurred to redeem by anticipation, balance of a $225,000 loan at 2½-3-3½% issued in May, 1944, and carrying a redemption clause.

Can. Consol. Grain Sells 4% Bonds

An $800,000 refunding issue of Canadian Consolidated Grain Co. 4% first mortgage sinking fund bonds has been sold at 100 and accrued interest by Royal Securities Corp. Bonds, dated Oct. 1, 1946, will mature on Oct. 1, 1961.

Proceeds from the issue will be applied toward redemption of the presently outstanding $1,347,400 6% bonds which will be paid at par and accrued interest to Oct. 28, 1946, if surrendered on or before that date with balance to be redeemed at par and accrued interest on Feb. 1, 1947. Balance of funds required will come from company's cash resources.

Incorporated in 1928, Canadian Consolidated Grain Co. acquired as growing concerns the assets of three line elevator companies—Dominion Elevator Co., Canadian Elevator Co. and Winnipeg Elevator Co.—and of two terminal elevator companies—Thunder Bay Elevator Co., Port Arthur, Ont., and Empire Elevator Co., Fort William, Ont. The company has 143 country elevators, 29 are in Manitoba, 114 in Saskatchewan, with aggregate storage capacity 4,573,000 bushels. The two terminal elevators have a storage capacity of 3,250,000 bushels.

On completion of the financing, outstanding capitalization will consist of $800,000 bonds, $2 millions 6½% cumulative preferred shares, par $100, and 100,000 no par value common shares.

Directors of the company are: C. E. Hayles, pres. and gen. mgr.; J. R. Lindsay, vice-pres. and assist. manager; A. K. Godfrey; H. C. McWilliams; Hugh Phillips, K.C., all of Winnipeg, Man.; G. W. P. Heffelfinger and A. E. Wilson, Minneapolis, Minn.; R. Douglas Stuart and P. A. Wells, Chicago, Ill.

Asks Continuation Of Rubber Control

Continuation of government purchasing of natural rubber and of domestic controls on rubber use in the United States at least until April 1 was strongly recommended last week by P. W. Litchfield, chairman of the board of the U. S. Goodyear Tire & Rubber Co.

A similar sentiment that Canada should continue its rubber control at least until Apr. 1 prevails in the Canadian rubber industry, The Financial Post understands. It is believed that whatever action is taken in the United States will definitely influence Canadian action.

At least two reasons are put forward for the continuance of control after removal of control over world allocations, on Dec. 31. One is to permit a gradual transition rather than an abrupt changeover. The other is due to the feeling that, with world supply of crude rubber insufficient to meet all demands, it would be better for governments to continue to make all purchases and distribute to the individual companies at least for the first few months, to prevent possibilities of price dislocations.

Premature lifting of American curbs might lead to a chaotic rise in the price of natural rubber, according to Mr. Litchfield. He estimated world needs for rubber at around 1.5 million tons in 1947 while production would only amount to around one million tons. Under Government control, production of synthetic rubber could be kept up to meet any deficiency.

By the end of the first quarter in 1947 the supply situation should have cleared sufficiently to permit the return to the free market, Mr. Litchfield felt.

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Were There Any Strike 'Gains'?

Workers have "gained" between $75 and $100 millions annually in wage increases granted in recent strike settlements, Canadian Congress of Labor Secretary Pat Conroy recently stated in Toronto. Mr. Conroy is an optimist. Only time will tell whether there are any real gains at all, over the certain losses in wages and markets strikes have already chalked up.

There is only one sound way a producer can earn more wages and that is to produce more. On this significant point Mr. Conroy and his CIO associates have been silent. There is no hint or promise of more production, no hope at all for consumers getting urgently needed goods without paying more.

And many of these consumers are the same workers who have "gained" these higher wages. The increase in earnings will be offset by the increased cost of living. The others—farmers, salaried classes and unorganized workers—will be forced to buy less goods which will mean less employment, less prosperity.

Even where these wage increases are to be paid out of government subsidies, as is proposed with Dosco, the effect will be the same. Money earmarked for new goods will have to be paid in extra taxes to meet the subsidy.

In the meantime the whole country has suffered staggering losses and at a time when we could have been making and selling goods as never before. Huge export contracts have had to be cancelled and the size of others curtailed sharply.

Domestic business has likewise suffered and millions in war accumulated savings which would otherwise have gone into employment creating capital goods, has been frittered away on nonessentials or, in the case of strikers, gone to defray living expenses during the weeks of unnecessary idleness.

Already this year we have broken all records for time lost in strikes. For the first nine months no less than 178 outbreaks have occurred, directly involving 126,463 workers, with over four million man days lost.

It will take Canadian labor many months if not years to gain that $75 to $100 millions estimated by Mr. Conroy and then only if there is continuous and expanding employment without inflation.

Let's Have the Figures

Canada's first genuine effort to measure production of new housing in terms of units completed and ready for use—the only way to measure any kind of production—is foundering for lack of municipal co-operation.

Idea behind the attempt of the Dominion Bureau of Statistics is worth while. Measurement is the basis of all planning. The construction industry must know how many houses it is building if it is to balance its operations and deliver the kind of accommodation where and when needed.

But relatively few Canadian municipalities are taking adequate interest in the new statistical effort to plan housing production. Little more than half of the communities included in the DBS survey have bothered to reply—362 out of 623—and only about 17% are supplying reasonably complete reports to Ottawa. Only two provinces—Alberta and British Columbia—have reported for unorganized territory. If difficulties in the way of provincial co-operation are only gradually surmountable, the same may not as fairly be said of the municipal sphere.

Here is why the new DBS attempt remains an inadequate measure of Canadian housing production. Only 7 in 20 of Maritime municipalities have bothered or found themselves "able" to reply to even the first and simplest questions of the Bureau; in Quebec the ratio of abstainers to respondents is 76 to 17; Ontario 90 to 36; Prairies 62 to 24; B. C. 12 to 15.

It's time Canadian municipalities took a more adult view of their statistical responsibilities.

Civil Service at Wartime High

There were more employees on the Dominion Government payroll last August, the latest month for which complete figures are available, than during the height of war activity in 1944. The most recent monthly total is 153,288, against 149,546 in August, 1945, and 138,303 in August, 1944. Before the war the total was well under half the present figure.

Undoubtedly all war work at Ottawa did not end with the enemy surrender last year, but now after more than 13 months since that surrender surely some substantial reduction is in order.

Department heads, it is said, are loath to start cutting down their inflated staffs when there is risk that employees may not be able to find other jobs quickly.

Taxpayers will form their own opinion as to the validity of such an argument. Eventually, unless we are to go completely socialistic, the change has got to come, and to be absorbed in private industry surplus civil servants may have to do some hunting around. There is bound to be readjustment before a citizen can be changed from a tax consumer to a tax producer. And incidentally, in the reduction of government staff which must and should come, there will be a lot of office equipment, office furniture and office space made available for a ready market.

Humanizing the Banks

The Bank of Montreal has won the coveted Socrates award for the most effective bank advertising in the United States and Canada, offered annually by Bank-Ad Views, a monthly publication of Vincent Edwards & Co., New York, devoted exclusively to bank and trust company advertising. While this honor is undoubtedly gratifying to the Bank of Montreal, all Canada's financial community can take pride in the fact that one of its members has taken this year's award. More than 15,000 banks and trust companies in the United States and Canada compete.

More important than the award itself is the fact that the winning of it rewards a new approach by Canadian banking to public relations work. For many years the banks have bent over backwards to keep their advertising in the mold tradition would call "very dignified."

In recent years, however, banks and other financial institutions have descended from their lofty perch with the result that the public and the institutions have benefitted. This job of humanizing has been done largely through advertising and it is gratifying to learn that a Canadian bank is considered to have led the entire North American field in this work during the past year.

Make Tourist Gears Mesh

Out of last week's five days of tourist talk at Ottawa, among Dominion and provincial government officials and representatives of the resort and travel industry, one clear conclusion emerges. A master agency is needed to keep the gears meshing and not clashing. It is clear that, even more than co-ordinated promotion and the physical plant to deal in tourists, tourism in Canada needs basic organization and executive direction.

The tourist industry is not a precise, easily defined industry like lumbering or shipbuilding or steelmaking. You can measure the exact number of men, the weight of material and the sum of dollars in a given volume of steel production, and you can see the steel when it is made and know where it goes, what it does. Dominion Bureau of Statistics men can give all the figures on steel; but when they come to tourism they leave facts for estimates. That vagueness is in the nature of tourism itself, for it is a part of many other industries—transportation, hotel and restaurant business, agriculture, manufacturing, literally of every other industry, directly or indirectly. So DBS statisticians and those who direct tourism in Canada are not to be blamed for this state of affairs, although they are seriously hampered by it.

Ontario's travel and publicity minister, Col. Welsh, said this at Ottawa: "One of the prime functions of my department is that of liaison on behalf of the tourist industry with other provincial departments. The other branches of provincial government in at least a dozen cases are concerned to a lesser or greater extent with our visitors as well as with our own people. . . ." Col. Welsh is on the right track there. He's hitting at the basic problem of pulling together the different departments and making them mesh into a smooth-running tourist machine.

And what is true in the provincial sphere is no less true at federal level. Time and again questions raised at Ottawa last week showed lamentable lack of co-ordination within provinces, among provinces, and—most important—among Dominion government departments. The Canadian Travel Bureau has been increasingly good; but it seems to have neglected the equally vital job defined by Col. Welsh, that of "liaison on behalf of the tourist industry with other government departments."

The Canadian Travel Bureau can and should do the job at Ottawa, the provincial tourist officials can handle their end, and for the industry itself a similar job must be done by such a group as the Canadian Association of Tourist & Publicity Bureaus.

Dampening Initiative

A revealing glimpse—exposé would be the better word—of the Socialist mind at work has just come from Britain's Colonial Secretary Arthur Creech Jones.

Referring to the recent discovery of reputedly important diamond deposits in Tanganyika by the Canadian-born J. T. Williamson, Secretary Jones said he believed any new mineral resources found in British colonies should be publicly controlled and publicly exploited. "I want to get as much money as possible for the advancement of education, social needs and health services of the African people."

Jones' words imply that Williamson, by discovering the mine, has done something dangerously anti-social. Instead, Jones should have credited Williamson with important production of new wealth. Jones should have called for cheers for this new man of wealth, soon presumably ready to be socked with mighty income taxes and, eventually, vast succession duties.

Assuming the diamond mine pays off passably well, Williamson's enterprise and perseverance in finding and exploiting it will yield the public treasury vast sums of money that it would never have had without Williamson. The big portion of Williamson's new wealth will be taken to support social service and other works of government, in addition to paying the salary and expenses of Jones and making it possible for him to travel around at the public expense making speeches.

How will the British taxpayers like Jones' implied scheme that government take over the business of prospecting for earth's hidden treasures? Canadians know something about the vast difficulties of finding worthwhile mineral deposits. They know something of the enormous sums that have to be risked for an extremely uncertain result. They know too that the only thing that makes men persevere in this work is the lure of success and fortune.

It's going to be interesting indeed—and instructive for socialists and other dreamweavers—to see the reaction of taxpayers when government starts forcing them to put up money for mine-finding.

Could Have Uniform Budgets

Much of the confusion, disappointment and delay accompanying Dominion-Provincial Conferences in the past can be traced directly to the wide variety of public accounting methods employed by the ten principals involved. To remedy this a special committee of financial experts, representing all parties was set up some time ago. Having worked out a standardized system of government accounting, it is now drafting a uniform method of presenting budgets

It's painstaking, behind-the-scenes toil that this committee of experts has been doing. How much benefit the taxpayer will get out of the work will depend on what premiers and cabinet ministers do to put the standardized forms into effect. If, as they should, the various governments adopt the recommendations of this special committee then it will give them quicker, more accurate and more comparable figures to work with and should cut short the lengthy debates at Dominion-Provincial conferences. Ultimately the increased efficiency that results should save the taxpayers a few of the millions that have been poured into these conferences at intervals since 1933.

Stop Me If—

A big-time gambler had just died. The funeral was well attended by his professional friends. In eulogy, the speaker said, "Spike is not dead. He only sleeps." From the rear came a voice, "I've got $100 that says he's dead."

• • •

John had been invited to the funeral of his neighbor's third wife, and as he had attended the funerals of the first two, his wife was surprised when he informed her that he was not going.

"But why are you not going to this one?"

"Well, Mary, it's like this, I feel a bit awkward to be always accepting Bill's invitations, when I have nothing to offer in return."

Post Scripts

Experiment in Movies

Being the mother of a nine-year-old son who likes movie versions of Shakespeare and John Steinbeck and the wife of Nat Taylor, boss of one of Canada's Big Three theatre circuits, wasn't enough. Last March vivacious Yvonne Taylor had to get into the moving picture business for herself. She stepped out as president of Town Art Hall Ltd. and director of its new International Cinema in North Toronto.

Neither Mrs. Taylor nor her husband is quite sure how the whole thing started. Both had the feeling there should be a place where people who were interested could see unusual movies, the kind that might have more artistic value than box office appeal. They'd talked it over at home for years before the chance came to turn dream into fact. The Cinema was just another neighborhood theatre up Yonge St., not doing too well financially. It happened to be one of 50-odd houses in Nat Taylor's Twentieth Century Theatre chain. He asked his wife if she'd like to try her hand at running the kind of programs they'd always talked about.

—Pasquale d'Angelo.
MRS. TAYLOR

That's how the International started, introducing a picture policy new to Canada. Common-or-garden Hollywood films were out, giving place to rare species from France, Switzerland, Sweden, Mexico, the United Kingdom. Extraordinary Hollywood stuff, like Ben Hecht's "Spectre of The Rose," scheduled soon, sometimes meets International standards too.

At first the neighborhood residents resented the absence of Mickey Mouse, Laurel and Hardy, or Betty Grable; and in those early months the International was still unknown outside its own neighborhood. The box office suffered; and, in fact, it's still not bulging, but Toronto is catching on. This was the ninth solid week of Laurence Olivier's "Henry V," and the technicolored Shakespeare was still packing them in at $1.80 per seat.

Is the International just the hobby of a woman who can afford to risk box office losses? Yes, and no. It's also a cinema guinea pig being watched, but not run, by an astute movie businessman. If the project looks feasible, Nat Taylor might just happen to build a few small houses around the country to follow his wife's lead. Right now he isn't sure, still insists every picture is a gamble. And the stakes come high, for foreign pictures are all brought into Canada through New York, and at staggering cost per print.

Mrs. Taylor makes her own selection of pictures on buying trips to New York; and has her husband, used to such matters, handle actual purchasing arrangements. Nine-year-old Michael sometimes goes along to New York for the ride and sits in on private showings. His mother insists that he's a perfectly normal Grade V pupil; but she does claim he has a flair for picking foreign pictures that people will like.

• • •

—Cartoon by Grassick.

THE RECKONING

New Food Controller

Food manufacturers and distributors who go to WPTB at Ottawa with their problems will find themselves facing a grizzled western farmer named Frank Grisdale. Last week Grisdale moved into the big roomy office formerly occupied by Kenneth W. Taylor. That is because Ken Taylor has gone "upstairs" to be senior deputy chairman of the Board, and Grisdale has taken Taylor's job as Foods Co-ordinator.

MR. GRISDALE

To make the Taylor office look more comfortable, Grisdale has "imported" a few pictures of champion bulls and a long-term chart of hog prices stretching six or eight feet along one wall.

The Grisdale family came to Canada from England in 1836. They were one of four English families to settle near the little French village of Ste. Marthe, Vaudreuil County, Quebec province. Frank Grisdale was one of twelve — all born on the farm. His older brother was for many years Deputy Minister of Agriculture at Ottawa. Both Grisdale boys became distinguished agronomists.

Frank was in the first grraduating class at Macdonald College in 1911. He then moved out to the Dominion Experimental Farm at Lethbridge as assistant to the superintendent, later joined the old Nor'West Farmer as associate editor, then to the Alberta provincial agricultural school at Olds when it started in 1913. He switched to a similar school at Vermillion in 1915 as principal and agronomist; then back to Olds as principal and farm manager in the spring of 1919. By the time he quit to go into politics in 1930 the school had an average attendance of nearly 250; was rated one of the best in western Canada.

The political venture went well until the Social Credit landslide of 1935. In the intervening five years Frank Grisdale represented his Olds constituency and became Minister of Agriculture under two provincial premiers. When Aberhart came in he went back to his section-size farm two miles outside of Olds and stayed there until Gordon Taggart asked him to do a war job at Ottawa in 1942. Since then he has been the Prices Board's top adviser on primary food products, more recently Taylor's deputy coordinator for the entire foods administration.

Frank Grisdale's wife (who hasn't seen much of him since his war job started four and a half years ago) was a native of Olds. They have two married daughters, a son who is a doctor in B. C. and another who served overseas and is now following his father's footsteps at Macdonald College. Frank Grisdale hopes to get back to his farm before too long.

Labor Unions Must Accept Responsibility

Freedom of Worker, Management and Public Are At Stake

Below is a digest of an address by H. W. Prentis, Jr., President, Armstrong Cork Co., Lancaster, Pa., and a member of President Truman's Labor Management Conference of a year ago. While Mr. Prentis refers specifically to conditions in the United States his observations are also applicable to Canada.

Labor unions have acquired almost unlimited power without being compelled to assume virtually any legal responsibility. The pendulum has swung too far. Power in the hands of fallible human beings—without responsibility—always results in social chaos. The present labor crisis is no exception to that general rule. And I make that statement as a friend—not an enemy—of sound and proper collective bargaining which is here to stay as a part of our democratic scheme of life.

Let us look at the labor union problem from the point of view of the public and the business man. The labor unions can threaten and intimidate fellow employees and their families and still not be liable. The employer is helpless to intervene. Is that fair or just to the worker?

The unions can violate their signed agreements, indulge in wildcat strikes and slow-downs, and the employer is usually penalized if he attempts to discharge faithless employees who foment such actions. Is that fair or just to the employer? Does that lead to peaceful procedure and orderly production?

Union leaders are permitted to say anything they please about the employer—whether true or not. In fact, they can and do frequently indulge in reckless defamation, whereas the employer's freedom to comment about the activities of the unions is seriously curtailed.

The unions can engage in mass picketing and violence and can even keep owners and managers from entering their places of business. The employer has virtually no legal recourse. Is that in accord with the spirit of even-handed justice and fair play?

Many unions are powerful enough to exclude anyone from employment who shows a spirit of independence or gets into their bad graces.

The unions possess the legal power, as things stand today, to limit output and to block the adoption of labor-saving devices. In some cities unions have prevented the building of houses with prefabricated structural parts. In certain districts painters' unions will not permit the use of spray guns. Even the width of paint brushes is sometimes limited. Plumbers and electricians in other places insist that pipe cutting and wiring must be done on the job, which is more expensive than at the factory. Is this the sort of practice that the public should continue to tolerate?

As the situation stands now, many unions have in their hands the administration of huge funds without being legally required to publish financial statements. You read Mr. Whitney's boast that his union had $47 millions in its treasury of which $2.5 millions was to be spent to defeat President Truman in the next election. Does that bode well, for the future of democracy?

Existing statutes provide absolutely no safeguard from the constant effort of labor union leadership to interfere with the legitimate functions and responsibilities of management. Is that in the public interest? There is no substitute for the dynamic vision and catalytic power of forceful management. We can distribute wealth by political action, but not genius and character and leadership. The comparative few in every walk of life who possess such attributes in an outstanding degree are the great benefactors of civilization. It was McCormick who built the first successful reaper—not a group of farmers. It was Bell who invented the telephone—not a manufacturers' association. It was Marconi who discovered wireless telegraphy—not a labor union. So no intelligent citizen should countenance anything that would destroy for the generations yet to be those wellsprings of individual initiative in management and other fields, from which in a very literal sense all our earthly blessings flow.

As the result of the vast grants of authority that labor unions have received in the last decade, the ordinary citizen now faces a situation where one or two individuals, free of virtually all legal responsibility, can completely cripple the economic life of the nation. We have sown the wind; we are now reaping the whirlwind.

Obviously there are only two ways by which the economic life of a nation can function. It can be made to work by the exercise of governmental authority. But the trouble is that that course inevitably leads to dictatorship, as it did in Italy, and the loss of all the other freedoms. Nobody wants that, although a lot of people have been behaving themselves in a way that will make government control inevitable if they keep on acting as they have.

The only other way to maintain stability in our economic system is by establishing equality of bargaining power between the different private groups of which our complex economy is composed. To attain such equality of bargaining power three conditions are essential: First, responsibilty and authority must go hand in hand; second, all individuals and groups in the population must stand equal before the law; third, no organized group, whether in the field of labor or business, must be permitted to become so big and so strong as to acquire monopolistic powers.

We must not expect, of course, that the establishment of these three basic principles will cure all of our industrial trouble. A certain amount of economic friction is inevitable if we are to remain free men, politically, intellectually and spiritually. There are no labor disturbances in Russia because the Soviet Government exercises absolute control over a man's support. If he strikes, he loses his ration card, is deprived of his living quarters and has no place to look for other work because the government is the sole employer.

Organized labor has now come of age. It is no longer an infant industry. The arguments formerly used to justify legislation and judical decisions granting special privileges to labor—because it was the underdog—no longer hold water. To preserve a free society there must be checks and balances on all groups. Thus extremes are counterbalanced and reasonable social equilibrium is preserved, provided all men and groups stand equal before the law. The only alternative of an economic system in which there are checks and balances obtained by reasonable equality of bargaining power is outright government control. Neither business, nor labor, nor the public desires that. We shall, however, drift into some such situation if business on the one hand does not exercise intelligent social stewardship in its day-by-day decisions and if labor leadership is unwilling to accept legal and moral responsibility in its administration of all the notable gains it has achieved in recent years.

Big unions are far more dangerous to the future than big business ever was. Their size must be limited so that they cannot wield monopolistic power, and their responsibilities must be fixed by carefully thought out legislation—if our system of government is to survive.

What Others Are Saying

Editorial of the Week

Who'll Pay Extra Rail Costs?

Family Herald and Weekly Star (Montreal)

We do not need much love for the railroads to see that their picture is very different from that of practically every other product or service. Nor do we need proof beyond our own commonsense that railroad operating costs have increased enormously—particularly in recent years.

In 1946 the principal railroads will pay $79.2 millions more in wages than they did in 1939, and $52.8 millions more for materials and this does not include the 10 cents an hour wage increase recently granted, which will amount to another $40.3 millions per year.

That makes $172.3 millions more expenses, at least, in 1947 than in 1939. Where will the money come from? Even the dunce of the class can answer that one! The money will come out of the pockets of the people of Canada. There is no other place for it to come from. It will just come out of those extra prices farmers and manufacturers have been getting, and out of the extra wages the railwaymen and steelworkers have been getting.

Other People's Views

APPEALS TO THE PRIVY COUNCIL are out of date, argues the **Edmonton Journal**, which declares: "Our present judicial system, with its series of appeals up to the Supreme Court of Canada, provides ample protection against injustice in the lower courts. Indeed, Canada's position as a wholly sovereign nation makes this right of appeal to a court in another country seem an anachronism."

But, warns the **Vancouver Province**, "If the Privy Council, which has been the protector of provincial rights in the past, is set aside, any Federal Government which chooses to assert its supremacy over the provinces will be in a position to do so.

"If Canadians are satisfied with the federal system and wish to continue it, they had better look to their fundamental laws. They had better make sure of a constitution which has safeguards that no government or party can violate."

MONDAY HOLIDAYS are going to be rare in the next 10 months points out the **Ottawa Journal**. "Christm[illegible] New Year's fall on Wednesday. There is F[illegible] Monday, next April 7, but that never is observed v[illegible] wholeheartedly. Dominion Day next year falls on a Tuesday — unless Parliament in the meantime abolishes it. So it is that for full-scale Monday holidays, and the long week ends they allow most workers, we must wait for Civic Holiday and Labor Day next August and September. It is one of the arguments for calendar reform that it would give us our holidays on fixed dates and days."

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NO GENERAL ELECTION is seen as the result of the Parkdale and Portage by-elections by the **Vancouver Herald**, which argues this way: "As for the supposedly 'shaky' position of the Liberal party in Parliament, with its slim majority of two or three members, this is largely academic as it would be difficult to conceive of a measure before the public today on which Conservatives, Social Crediters and CCF members would vote as a solid unit against the Government. Most of the M.P.'s are too fond of their recently won seats and increased indemnities to take a chance today on any minor question."

UNLESS ONTARIO AND QUEBEC are ready to co-operate there is little use in another Dominion-Provincial Conference, declares the **Regina Leader-Post** and that paper does not seem very hopeful of that co-operation. Flatly it asserts: "Certainly there has been nothing to indicate that Premier Drew and Premier Duplessis have changed their stands. Piecemeal settlement is not the most desirable way in which to proceed. It is at best a compromise approach to the problem. But under the circumstances prevailing, it is about the only policy which Ottawa reasonably can adopt."

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Member Audit Bureau of Circulations

A weekly newspaper presenting in a popular manner reliable information respecting investments, business and national affairs in Canada.

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San Francisco: Duncan A. Scott & Co., Mills Bldg., Sutter 1393.

Los Angeles: Duncan A. Scott & Co., 448 South Hill St., Mich. 0921.

Subscription Terms: Single copies, 10 cents. Yearly: in Canada, United States, Mexico and British Empire, $5; all other countries, $6.

Advertising Rates: Single insertion, $4.20 per inch. Contract terms upon request.

Authorized as second-class mail, Post Office Department, Ottawa.

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Printed and Published by
MACLEAN - HUNTER
Publishing Company Limited
481 University Avenue, Toronto 2

JOHN BAYNE MACLEAN, Founder and Chairman — HORACE T. HUNTER, President
FLOYD S. CHALMERS, Executive Vice-President — THOMAS H. HOWSE, Vice-President and Treasurer

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OTHER SERVICES: The Financial Post Corporation Service, Canadian Press Clipping Service.

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MONTREAL Centre 2: Dominion Square Bldg., Marquette 2331.
NEW YORK 18: 522 Fifth Ave., Murray Hill 2-7888.
CHICAGO 6: 309 West Jackson Blvd., Harrison 7890.
LONDON: Maclean-Hunter Limited, British Columbia House, 1, Regent Street, S.W.1, Cable, Atabek.

Nov. 2, 1946

Seven Provinces May Sign Accord Maritimes, West, Fight Freight Boost

At least five provinces, probably six, and possibly seven, were reported ready to sign separate tax agreements with the Dominion. Manitoba blazed the trail in that direction, with Saskatchewan, British Columbia, New Brunswick and Prince Edward Island said following; Nova Scotia in the "probable" column, and Alberta contemplating acquiescence. This would leave Ontario and Quebec as the only holdouts.

Prince Edward Island

See "Crippling", Rates

Proposed 30% increases in freight rates would cripple Maritime prosperity for years to come, the Maritime Board of Trade heard at its annual convention in Charlottetown. Truck competition would probably force a reduction in short-haul rates, said D. R. Turnbull, Maritime Transportation Commission chairman; but long-haul rates would remain at the higher level, once it was set; and the Atlantic coast provinces would hold the bag.

Would Feed Feeders: Maritime Air Conference in Charlottetown called for government assistance in developing feeder air operation, which promised self-sufficiency in a few years. Many opportunities in air travel in the Maritimes were seen, due to its geographical layout, particularly in charter passenger and freight services, and regular air cargos of fish, lobsters, berries, etc., to New England and other wealthy consumer areas. Better accommodation for comfort and convenience of travellers at airports was stressed, as well as simplified procedure in clearing through customs and immigration.

Cash in on Crustaceans: Lobster pots yielded Island fishermen a record harvest; 8.4 million pounds, with landed value over $2 millions. Despite shortages of rope, netting, hooks and engine parts, most catches were higher than last year. Cod, herring and hake ranked next to lobsters, with over five million pounds each.

* * *

Nova Scotia

Target Tuna

Coastal fishermen trained their sights for the first time on giant, fighting tuna, which was previously only a nuisance to them, although a prized trophy for sport fishermen from as far away as California. Following opening of a canning plant in the St. Margaret's Bay district, fishermen went for the giant mackerel, which sometimes tip the scales at half a ton. Even with makeshift gear, including halibut hooks, never intended to hold a catch of that size, fishers made a $50,000 haul; hoped, with proper gear, for better results next year.

Economy Cabins: Industry Minister Harold Connolly pledged himself to democratize the tourist business; to aid in establishing low-cost cabins and snack bars or cafeterias, for lower wage-bracket motorists, as well as more elaborate facilities for others.

More for Lumber: Maritime lumber producers welcomed announcement of price increases for 230 million feet of spruce to be shipped to the United Kingdom in 1947 (the boosts ranging from 4% on scantling, up to 15% for wide deal). Total purchased is the same as this year's figure.

Spuds at Peak: The province anticipated a record potato crop of 4,360,000 bushels, approximately one million above average, and more than 1,180,000 above the 1945 yield.

* * *

New Brunswick

Power Plan Opposed

Provincial delegates, home from a conference with Maine authorities, reported "plenty of opposition" to a Canadian proposal to obtain lake storage in the St. John River valley of northern Maine, to improve hydroelectric power development and flood control at Grand Falls, N.B. (Delegates, Lieutenant-Governor D. L. MacLaren; Power Commission Chairman Gaspard Boucher; Resources Development Board Chairman H. J. Rowley.) Simultaneously, the province's central electric stations reported eight months' power output 375,091,000 kw.h., only slightly down from the record 387,410,000 of the same 1945 period.

Back to Normalcy: Thirsty New Brunswickers this week were able to make Hallowe'en bonfires of their liquor ration books and permits. Effective Nov. 1, four years of restricted sale ended; liquor could be bought as freely as cigarettes—certainly much more freely than soap chips.

Poles for Farms: Help-hungry farmers throughout the province awaited arrival of the first of 4,000 Polish war veterans, due in Canada about Nov 13, with reinforcements scheduled to follow a week later. The veterans, unwilling to return to their Russian-occupied native land, were certified to have had from three to 20 years' agricultural experience; New Brunswick farmers hoped to have many of them allocated here.

* * *

Quebec

War on Black Market

A jail term or a $20,000 fine was asked in a Montreal court, against an alleged black marketeer. A WPTB prosecutor charged between 300,000 and 400,000 butter coupons had been illegally issued, and later destroyed. A merchant, alleged to have paid between $50 and $60 a week to a bank manager for six months, to obtain the coupons, awaited sentence this week.

Beaver for Britain: Four beaver from Banff National Park—Johnny, Jacques, Minny and Molly—were on the high seas today, en route to the London zoo, to replace war casualties among others of their species. They travelled appropriately on the CPR's cargo-passenger vessel Beaverford, which also carried a cargo of apples, cheese, powdered milk, bacon and other foodstuffs, wood pulp, asbestos, and agricultural implements, for the United Kingdom.

Police Lack Uniforms: One hundred and fifty "rookie" constables on Montreal's police force, faced the prospect of becoming plainclothesmen as soon as cold weather necessitated a change from summer to winter uniforms. Cloth shortages made it impossible to obtain the latter. Authorities planned to outfit the men-in-mufti with identifying badges and armbands.

Blow at Poachers: Game officials broke up what they termed a wide conspiracy to black-market Canadian game and fish in meat-hungry areas of the United States; reported large seizures of jacklights and other contraband equipment used for spearing trout out of season, and for luring moose and deer.

* * *

Ontario

Hands Off Education!

In his role of Education Minister, Premier George A. Drew denounced federal "encroachment" in that field: ". . . might have consequences we would later regret. If we are to have centralization of education in education, let us be honest about it; not hide the movement under the guise of federal grants."

To Safeguard Timber: Seeking a formula for conservation of the province's forestry resources—a headache to successive governments for more than a quarter of a century—a royal commission headed by Major-Gen. Howard Kennedy, opened hearings at Sault Ste. Marie this week, with sittings to follow in Port Arthur, Kenora, Fort Frances and other northwestern Ontario areas. The commission criticized public apathy, when no briefs were submitted on the opening day.

Dunning Trust: "To promote understanding and appreciation of the supreme importance of the dignity, freedom and responsibility of the individual in human society," an anonymous donor contributed $100,000 to Queen's University, Kingston, to form the Chancellor Dunning Trust, "a permanent tribute to Hon. Charles A. Dunning, in the hope that a life of public service will help future students to do their best service to humanity." Once in every three years, the university's trustees are required to re-read the donor's letter, and to decide, in light of conditions then existing "how best the income from the trust may be expended."

* * *

Little Manitou's "Healing" Waters Lose Reputation

From Our Own Correspondent

REGINA—Long-established belief that the waters of Little Manitou Lake have great curative powers and medicinal values, has been shattered. An investigating commission appointed by the province has reported that no scientific evidence has been obtained to show that the waters have any specific medicinal effect, beyond being strongly laxative.

Little Manitou, one of the most popular resorts in Saskatchewan, is three miles north of Watrous. It is 12½ miles long and half a mile wide.

Manitoba

More Social Credit?

While Alberta awaited a court verdict on the validity of Social Credit, Manitoba disciples of that system called for $20 monthly dividends "for each person, without exception"; insisted such a dividend, "independent of salaries, and not entering into the price products, can solve the problem of strike-occasioned increases of salaries and products." The convention "opposed most vigorously the Communist menace of dictatorship and bloodshed in Canada"; called for return of all provincial rights, from federal authorities; and demanded that the Government utilize the Bank of Canada "to issue necessary credit, debt free, to carry on government business and reduce the national debt," in place of borrowing from chartered banks.

Higher Liquor "Take?": Manitobans appeared as thirsty as ever, leading the Province to anticipate another $6.5 millions in liquor profits, for the fiscal year ending April 30 next.

Schooner Icebound: The winter freeze-up came unexpectedly early in the northwest; caught the Hudson's Bay Co. supply schooner Neophyte by surprise in Baker Lake, and left it stranded there. The vessel was en route back to Churchill, after delivering winter supplies to company posts.

CCF Hats in Ring: Prospects of an acclamation for Mayor Coulter, in Winnipeg's municipal elections Nov. 22, went glimmering, as the CCF thrust A. Montague Israels, (a lawyer, like Coulter) into the field as their nominee. Socialists also named a slate for alderman and school trustees.

* * *

Saskatchewan

Tories Gird for Fray

The province, "sick of Liberalism and Socialism," was eager for a return to the "good old days" of Conservative rule (1929-1934). So, at least, delegates to the biennial provincial Conservative convention in Regina were assured. Spokesmen appealed for organization, and funds; pledged that their party would not "try to out-promise the CCF, as the Liberals have done." The convention re-elected Rupert Ramsay (former University of Saskatchewan professor) leader; called for $1.53 wheat, with any subsidy necessary to keep bread prices down "to be borne by all the people of Canada, not by the farmer alone"; opposed increased freight rates, and urged "new, equitable and scientific" freight tariffs in place of the present "antiquated" system.

L. O. REGNIER

of St. Johns, has been elected President of the Chamber of Commerce, Quebec Province.

Vote in '48; No Sooner: The next provincial election will come in 1948—no sooner, and no later, Premier T. C. Douglas emphatically affirmed, denying rumors of a 1947 vote: "We won't spring an election before the end of our term, nor will we endeavor to hold office beyond our term, as the Liberals did." (The last legislature extended its four-year term to six years, as a wartime emergency measure.)

Fight Freight Boost: Saskatchewan, planning a united front with Alberta and British Columbia (and possibly Manitoba) against increased freight rates, estimated the 30% boost requested, would cost farmers of this province $2 millions yearly. Cost to butter, egg and poultry producers was set at $1 million; to hog and cattle producers $500,000; while increased shipment costs on farm machinery and other purchases, would make up most of the balance.

Who Gets The Extra?: Consumers sought a break-down of the price spread on western coal, as retail prices jumped 85 cents to $1.50 a ton (depending on grade) in the wake of a new wage contract between operators and miners; contended about 30 cents a ton remained to be accounted for, after allowing for the wage boosts. Lump coal jumped from $10.10 to $11.20 in Saskatoon; egg or stove coal from $9.35 to $10.85; nut from $7.75 to $8.60.

* * *

Alberta

Seek Irrigation Accord

Another conference between Dominion and provincial spokesmen was coming up; this time on distribution of prairie irrigation costs. Premier E. C. Manning said the "general understanding" that the Dominion would pay major construction costs, the province's distribution costs had never been put into effect on an actual project. He forecast "great benefits" to southern Alberta from the three-year St. Mary's River irrigation project, begun last summer.

Municipalities Ask More: Municipalities must have more funds, either through broadening of their own taxation base, or through an increased share of federal and provincial revenues, the Union of Alberta Municipalities insisted. Specifically, it called on the province to assume a larger share of education costs, make "adequate" allowances to municipalities to cover costs of main services, and to assume responsibility for maintenance of deserted wives and families.

More Would Study Farming: The province's two agricultural schools, at Olds and Vermilion, reported overflow registrations, higher than the total in the pre-1931 era, when four such schools operated. At least 200 applicants had been turned away for lack of accommodation.

Alberta Leads in Wages: Alberta's average wages were highest in Canada last year, Trades and Industry Minister Clarence Edgar Gerhart announced, endorsing "the general trend toward a shorter working week," and defining government role in industrial matters: "Not interference . . . it should assist in labor-management problems, but only on invitation from one side or the other."

* * *

British Columbia

What Makes Journalists?

Can a university course create journalists? The Province debated the question this week, after the provincial division of the Canadian Weekly Newspapers Association called for a school of journalism at the University of British Columbia "to elevate editorial standards and graphic arts in the West." University President Norman Mackenzie promised "sympathetic consideration," but saw small demand for such a school; stressed: "A course in journalism doesn't necessarily make a journalist. Practical experience is what counts, in the long run."

Sand Laundries: Sand "laundries" could salvage 80% of imported foundry sand, and save the B. C. industry $20,000 to $30,000 yearly, said scientists of the province's Research Council, who developed the process. High-grade silica sand, unobtainable here, is shipped from eastern United States; costs $2 a ton there, $12 here. A basic ingredient in the molding composition into which molten metal is poured, it has, until now, been discarded after a few casts.

Best Tourist Year: Vancouver took stock of its greatest tourist season: over one million visitors (600,000 by car from the United States, another 260,000 from that country by sea, bus, train or air); total take, $25 millions.

$7 Millions Ship Plum: French and Chinese contracts worth an estimated $7 millions, were reported headed for Pacific Coast shipyards. China reportedly sought three 270-ft. cargo vessels, for use in rivers and coastal trade; France, four lighthouse tenders.

Money in Mud: Clay from "a huge deposit, somewhere between Vancouver and Prince Rupert," has shown wide curative powers "and promises to become a valuable addition to our pharmacopoeia," Vancouver Medical Association announced; said an Indian had revealed the secret to a white man who had befriended him.

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- Smooth operation through perfectly balanced reciprocating parts.
- Simplicity—all parts of each cylinder, valve and reciprocating unit are interchangeable. Entirely enclosed in oil-tight cases with force-feed lubrication.
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Manitoba Pool Elevators Net Surplus $1,110,205

From Our Own Correspondent

WINNIPEG — Without provision for income tax, Manitoba Pool Elevators reported a net surplus of $1,110,205 for the crop year ended July 31.

Because of lower wheat yield from a reduced acreage and smaller farm carryover as at August 1, 1945, the handle of 30,488,116 bushels was less than the preceding year (33,166,-192).

The pool elevators' proportion of total deliveries for Manitoba was 41.94% (38.5% in 1944-45, 36.38% in 1943-44, and 33.24% in 1942-43). Percentages are determined after deducting carryover.

Of the grain handled for the crop year covered by the report, 12,945,-451 bushels was wheat, 10,260,374 barley; 6,441,848 bushels oats; the balance rye and flax, mostly the latter.

Handling charges at the pool's country elevators were 1¾ cents a bushel for all grains except flax, for which it was three cents. Storage charges were 1/45 of a cent per bushel per day, after expiration of the 15-day free storage period. These tariffs will be effective for handling the 1946-47 crop.

Gross earnings for the year were $2,608,047.51. Deductions, including head office expenses of $324,473 and $639,266 station expenses paid locally, plus other items incident to conduct of the business, left an operating surplus of $1,341,349. There were deductions from this of $124,-697 for depreciation of country elevator properties, $46,501 for depreciation on terminals, and additional amounts for interest on local associations' capital debt and for interest on investment in terminal elevators.

After deduction of $2,718 for terminal earnings to platform shippers, the residue of $1,107,487 will be repayable to growers under revolving fund plans. A total of 175 local associations will participate in payments.

President of the organization, W. J. Parker, said at the annual meeting it was the intention to pay out dividends of over $1 million before Dec. 31 this year, with a greater amount to be returned to members before July 31, 1947.

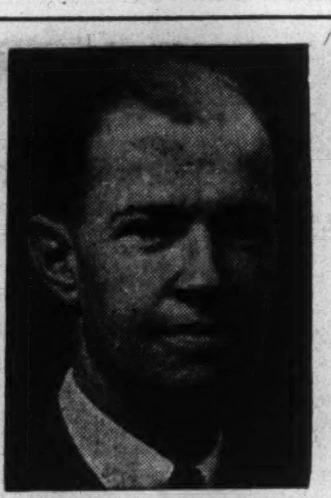
Request Air Line 'Peg to Flin Flon

From Our Own Correspondent

WINNIPEG—Rapid development north of the 53rd parallel has caused Manitoba to urge the Dominion Board of Transport to grant an application for an air line franchise to operate between Winnipeg and Flin Flon.

The application is backed by boards of trade of the four largest centres of population which would be served by the route Dauphin, Swan River, The Pas, and Flin Flon.

This year's big increase in tourist travel to the north, the heavy influx of hunters for the hunting season, and the need for quicker mail facilities to centres already developed and in process of development, are among reasons given for the need for the air route. Four post offices in the north handle about 500 pounds of mail daily.



F. J. BEATTIE

has been appointed a director and secretary of Wallace Barnes Co., Hamilton.

'Rescue' Wheat Seen Resisting Sawfly Menace

From Our Own Correspondent

SASKATOON—Millions of acres of land in Saskatchewan and Alberta may be brought back into production if a new variety of wheat, named Rescue, stands up to further tests against the dreaded sawfly, the University of Saskatchewan announces. Sawfly damage has been estimated at $30 millions annually, in the past.

Fallen stems at harvest time make the trouble easy to recognize, when the small white grub is found within the underground stub of the cut stem. Egg-laying by the tiny parent wasps occurs during two or three weeks, beginning about the middle of June. Each female wasp infests about 30 or 40 stems.

Damage is always worse in early sown wheat and spring rye and it occurs in different ways; loss in yield of about 10%; breaking of weakened stems; and the loss of stem heads due to breaking off.

The new variety of wheat stood up well in tests this year, university officials state, and may bring back into productivity millions of acres of land in the two provinces. Northern North Dakota and Montana crops are also damaged by the sawfly, and American farmers will benefit by the new cross.

Rescue originates from a New Zealand wheat which had a solid stem and was resistant to sawfly damage. This wheat was crossed with Apex, a rust-resistant Canadian strain, and while the New Zealand wheat was not a good milling wheat, sawfly-resistant characteristics were transferred to the new cross over a period of eight years. Original breeding was done by H. J. Kemp and A. W. Platt at Swift Current experimental Station.

Hybrid Corn to Kellogg Million Bushels a Year

1,875 Western Ontario Farmers Will Harvest 20,000-acre Crop This Fall For New Drying-Shelling-Storage Plant Built at Chatham

CHATHAM (Special) — Through White Hybrid Corn Producers, a new company established at Chatham, Ont., to supervise the project and handle relations with farmers, the Kellogg Co. of Canada has contracted to buy one million bushels of white hybrid corn annually. Contracts to grow the corn have been signed with 1,875 farmers and a total of 20,000-odd acres in western Ontario will be harvested late this fall.

In adidtion to the formation of the new company, the scheme has involved the construction at Chatham of one of the largest ear corn driers on the continent and the building of an adjacent shelling plant, storage elevator and railroad siding. Plans have also been made to provide farmers with special cribs in which corn can be stored and dried on the farm.

See Double Lates

Kellogg's annual requirements of white corn are currently running in excess of one million bushels, shelled and it is expected that the company will eventually provide a market for at least two million bushels yearly. A substantial part of this will go into export production. Through Kellogg's, farmers contracting to grow white hybrid corn, will have indirect access to markets in England, Europe, Africa and the Middle East, areas to which Kellogg's factory at London, Ont., was exporting before the war.

Was Big Import

Since farmers ceased growing white corn several years ago as a livestock and poultry feed, supplies have been imported from South Africa, South America and the United States. In the U.S., where the corn crop once averaged 60% yellow and 40% white, the introduction of yellow hybrid corn, with its higher yield, reduced the percentage of white corn to less than one twentieth of the total crop.

As the Dominion's largest manufacturer of ready-to-eat cereals, Kellogg's has long been interested in freeing its London factory from dependence on these uncertain foreign and overseas sources and encouraging the growth of white corn in Ontario. The present project, however, has had to await the development of strains of white corn which can mature successfully in the Ontario corn belt and provide yields comparable to those obtained from yellow hybrids.

The white hybrid corn now being grown under contract is a very recent development, newer even than the yellow hybrids which were introduced into Ontario as late as 1938. Foundation stocks, in fact, are not yet available in the province and seed for this year's crop had to be imported from the United States. Hybrid corns have been described as one of the outstanding contributions of agricultural science to the farming industry. Compared with the open pollinated varieties they offer:

Higher yields

Stronger and more extensive root systems

Stronger stalks, resulting in less damage from corn borer

Ears carried at a more uniform height, making it easier to harvest the grain with mechanical pickers.

More uniform maturity resulting in better quality grain.

Yellow hybrid corn has proved so successful that in 1944 it was estimated that almost 95% of the commercial acreage of grain corn was sown to hybrids. A similar marked increase has been witnessed in the use of hybrid corn for sileage production.

In 1944 a total of 567,000 acres in Ontario was planted with corn. The annual average of acres sown for the period 1932-41 was 485,346. One important result of the development of hybrid corns will be a gradual widening of the areas in which corn can be grown.

$100,000 Project

To start the growth of white hybrid corn in southwest Ontario and to provide facilities for handling the crop, the Kellogg Co. is spending more than $100,000 during 1946. Early this year the company distributed free, through White Hybrid Corn Producers, approximately 3,500 bushels of seed valued at $32,000 to farmers with whom contracts were signed.

Yellow and white corn in the field has a moisture content of between 20% and 30%. This is too high for the dry millers and the moisture content of white corn must be reduced after harvesting. The normal practice is for farmers to dry the corn in cribs accepting a shrinkage of 8% or more in the size of their crops.

For some time, however, additional drying facilities will be needed. To provide them Kellogg's is spending $50,000 on the ear corn drier now being completed at Chatham. With a capacity of 4,000 bushels a day this will be the largest of its kind in Canada. Corn fed into it on conveyer belts will be husked, tumbled into bins, and dried by hot air forced through the 150-ft. long structure by two large fans. The drier will be completed in time to handle the 1946 crop.

TWIN CITY RAPID TRANSIT CO. net profit for the nine months ended Sept. 30, 1946, was $960,233 ($733,961 for the 1945 period). Operating revenue was $12,077,665 ($11,734,608); net income before provision for federal taxes on income, $1,836,655 ($2,418,120). Federal income taxes were $876,422 ($1,684,-159).

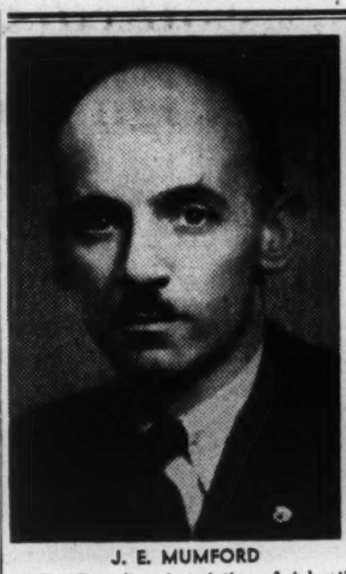
Wolf Is At Door Of Labor Temple

From Our Own Correspondent

WINNIPEG—Winnipeg's Labor Temple, for nearly 40 years the meeting place of labor unions, may be turned into a manufacturing plant by end of the year, unless enough money can be raised to save it from going on the auction block under mortgage sale.

The mortgage on the property is held by the International Bricklayers' Union, and the local bricklayers' unions are the principal shareholders in the company which owns the property.

Agent of the mortgagees has received an offer to buy the property from a garment manufacturing company. Unless funds can be raised within the next two months, the offer will be accepted.



J. E. MUMFORD

P. H. BOULTBEE

The Canadian Association of Advertising Agencies announces the appointment of J. E. Mumford, director and secretary-treasurer of Locke, Johnson & Company, and P. H. Boultbee, media and office manager of The James Fisher Company Limited, as its representatives on the Canadian Circulations Audit Board.

Flax Crop Up Will Aid Paint

Eyes of the Canadian paint industry are focused intently on the West, where final tabulation of the 1946 flax crop is being made. Flax will spell paint more convincingly in 1947 than ever before in the industry's history; Canadians want still more paint, judging from this year's estimated record $55 millions—and still unfilled—market.

Flax produces linseed oil, an essential ingredient of practically all paint and varnish products. With an acute world shortage, and little prospect for any improvement in the imported supply of other oils such as oiticica, chinawood and castor, the paint industry's No. 1 hope centres on this country's domestic production. Estimates set this year's flax crop at approximately 8.5 million bushels, first crop increase since 1943 and an advance of 17% over last year.

Thus a program launched early this year by the Federal Government and several interested industries, including the paint industry, to combat a disastrous downtrend in flax production, has paid off handsomely. It is difficult to say whether the Government's 50c. a bushel price increase or the publicity campaign designed to shatter previous misconceptions about flax growing, had most effect. At any rate, there is high hope that the trend will continue into next year.

It is estimated from early crop reports that some 100 million lb. of linseed oil will be available to Canadian industry for 1947 production schedules. The paint and varnish industry will get about two thirds of this, the linoleum industry the next largest slice. This is the first welcome news for the paint and varnish industry, struggling to satisfy a consumer demand more than double the best pre-war year.

There are other disrupting raw material shortages such as those in pigments, dry colors and resins; but by far the biggest factor in filling Canada's 1947 paint requirements is this year's flax crop.

Nfl'd Looks to Canada To Stimulate Exports

Special Correspondence

ST. JOHN'S, Nfld.—After a retreat of two weeks behind closed doors for committee sessions, the National Convention of Newfoundland reconvened in public sessions to receive the interim report of the fisheries committee.

Highlights of the Committee's report, presented by the Hon. R. B. Job, included:

1. The future welfare of the Newfoundland people will depend largely on development of the fish industries.

2. Development of the new frozen fish industry depends largely on marketing facilities, particularly in the United States.

3. It is in the interest of Canada, particularly, to help encourage increased Newfoundland exports to other countries, so she can pay for her imports from Canada, where she does not possess a market for her predominant exports.

4. Newfoundland fish products will have to be sold in competition with American and Canadian. To do this, some form of government assistance must be provided to modernize and increase the present fishery facilities and equipment.

When the United States was given 99-year leases on three large military bases in Newfoundland, the American Government obtained some valuable tariff concessions from the Commission Government. The fisheries committee now is of the opinion that the United States may be ready to grant concessions on a quid pro quo basis as soon as the reins of administration are returned to the hands of the future elected government.

This aspect of the committee's report gives for the first time a strong hint as to the likely course of future trade negotiations and political discussions between the future responsible government and her wealthy and powerful neighbors.

Canada and Newfoundland export fish products to the United States under a quota with a preferential rate of 1⅞c. per lb. All exports above the quota are subject to a duty of 2½c. per lb. Any future increase in the duty would be disastrous for Newfoundland, as her exporters face higher shipping and freight costs. Therefore her ultimate aim is free entry of her fish products, or at least, considerably reduced tariffs.

FEDERAL GRAIN net profit for the year ended July 31, 1946, was off 37.4%. The wholly owned subsidiary, Alberta Pacific Grain Co. shows a net loss of $45,595 after providing for all charges.

The reduction in working capital is accounted for by the $2 million first mortgage bonds purchased from the subsidiary, and is not included in current assets.

As the grain crops in western Canada show a material increase over last year, it is anticipated this will reflect in the volume of grain handled by the company during the present year, President H. E. Sellers stated.

INCOME ACCOUNT

Years Ended July 31:	1946	1945
Net earnings	$806,130	$971,859
Less: Deprec.	320,976	308,571
Bond int. & exch.	159,599	128,025
Int. on spec. loan	65,470	174,466
Income tax res.	125,000	145,000
Net profit	135,085	215,797
Less: Pref. divd.	195,000	120,000
Deficit for year	59,915	*95,797
*Surplus.		
Times Bond Interest Earned:		
Before deprec.	5.05	7.59
After deprec.	3.04	5.18
Earnings per Share and Dividend Record:		
Pref.: Earned	$4.50	$7.19
Padi	6.50	4.00
"A" & "B": Earned	d0.30	0.10
None paid.		

Note: — A wholly-owned subsidiary, Alberta Pacific Grain Co. (1943) Ltd., realized a net profit of $150,170 in year ended July 31, 1945, and a net loss of $45,595 in 1946, not consolidated with that of parent company.

CONDENSED BALANCE SHEET

As at July 31:	1946	1945
Cash & Dom. bonds	$549,503	$466,000
Accts. rec., etc.	494,766	349,962
Inventories	2,724,171	7,385,117
Total curr. assets	3,768,440	8,201,079
Invest. in subsid.	5,810,160	3,810,160
Misc. assets	229,722	457,285
Fixed assets†	4,106,897	4,193,948
Total assets	13,915,219	16,662,472
Bank loan	......	683,099
Accts., tax., etc., pay.	2,679,505	4,746,720
Total curr. liab.	2,679,505	5,429,819
Spec. loan	......	3,738,200
Funded debt	6,000,000	2,062,500
Bond red. res.	......	90,035
Capital stock	4,250,000	4,250,000
Surplus	985,714	1,091,918
†After depr. of	4,410,125	4,161,173
Working capital	1,088,935	2,771,260

WESTERN GRAIN CO. reported a net loss of $31,554 for the year ended July 31, 1946, compared with a net profit of $50,330 for the previous year. The total amount of grain handled through the company's facilities showed a decline of approximately 40% compared with the previous year, due to poor yields in many districts. Owing to grain receipts into country elevators being shipped forward continously throughout the year, earnings from storage were reduced.

CONS. INCOME ACCOUNT

Years Ended July 31:	1946	1945
Net earnings	$341,480	$482,648
Less: Bond int. & exch.	111,527	118,844
Depreciation	240,325	239,007
Income taxes	......	35,060
Pension fund	21,182	39,407
Net loss & deficit	31,554	*50,330
*Profit and surplus.		
Times Bond Interest Earned:		
Before deprec.	3.06	4.06
After deprec.	0.91	2.05
Earnings per Share and Dividend Record:		
Preferred	d$1.58	$2.52
Common	d0.81	d0.40
None paid on either class.		

CONDENSED CONS. BALANCE SHEET

As at July 31:	1946	1945
Cash	$380,224	$337,297
Accts. rec	92,814	60,392
Inventories	1,916,739	2,654,998
Total curr. assets	2,389,777	3,052,687
Misc. investa., etc.▲	381,477	373,819
Fixed assets*	2,976,674	3,121,424
Total assets	5,747,928	6,547,930
Total curr. liab.	750,113	1,571,141
Funded debt	2,120,600	2,120,600
Bond redempt. res.	60,209	60,209
Capital stock	2,675,229	2,675,229
Surplus▲	141,777	120,751
*After depr. of	2,625,451	2,426,863
▲Incl. refund. EPT.	68,735	68,735
Working capital	1,639,664	1,481,546

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Only Four U.S. Controls Likely to Survive to '47

Special Correspondence

WASHINGTON — U.S. officials are contemplating an almost-decontrolled economy in 1947, with only four controls—those on rent, construction, exports, and basic materials—now described as the "absolute minimum" for the remainder of reconversion.

Economic advisors to the President, who must go before the 80th Congress early next year to present his recommendations for extension of necessary controls, are already studying the situation which is likely to exist when wage and price controls are virtually off the books.

One high government spokesman told The Financial Post that present views on the control situation for 1947 may become meaningless if several months of high production remove most of the current economic vexations, or if the often-predicted "recession" develops.

But export controls, under most circumstances except a serious slump, are regarded here as both essential—although the scope of licensing is likely to be very limited—and as perhaps the most popular of all controls with Congressmen of either party. The present Export Control Act expires June 30, but a Presidential request for a six months' extension is considered likely.

Continue Rent Control?

Rent controls, also scheduled to expire next June, are likewise considered necessary by the Administration, and would stand a chance of Congressional extension. If the new Congress abolishes the remaining phases of price control, it is expected that an extension of rent control will be sought, with its administration shifted to another government agency.

The present construction controls under the emergency housing program stem largely from the Veterans Emergency Housing Act, which does not expire until the end of 1947. And stubborn Administration support of this program has been indicated repeatedly, despite growing attacks on the program.

The Administration may, however, face a Republican Congress, disposed to repeal the Patman Act, which empowers Housing Expediter Wilson W. Wyatt to set price ceilings on rents and buying prices for new houses built under his program, and to issue priority and allocation orders in the building materials field.

Many Off List Soon

Commodities with an annual retail sales volume totalling less than $100 millions will be the first to be removed from the control of maximum prices, in about a month, according to present OPA plans.

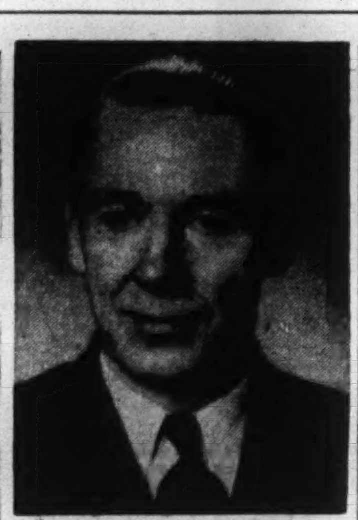
However, because OPA has not yet decided just how it will group commodities, manufacturers will not be able to determine in every instance whether they will be exempted from price control simply on the basis that the annual retail sales of their product run less than $100,000,000.

However, the total of annual dollar volume of sale will not be the only measure on which OPA will remove maximum prices. Not only has it already decontrolled a large number of insignificant items, but the measure of supply and demand will be used for all commodities which are not considered unimportant.

In addition, officials at the policy level state flatly that the decontrol "hysteria" sweeping the nation does not mean that OPA intends to change its price control standards for commodities which remain under price ceilings. They refuse to name commodities which will be omitted from the control list, saying this would only lead to even greater withholding from markets than is already occurring.

Controls on consumer credit may be removed by the first of the year, except on heavy consumer durable goods in scarce supply. With slight exception they have continued in much the same form as when made effective on May 6, 1942.

Radios, for example, are already in more than ample supply and the need for continued restrictions on credit purchases is now held to be passing. Refrigerators, automobiles, household furniture, however, will probably likely continue subject to credit restrictions.



R. H. GEARY

has been elected a director of Harold F. Stanfield Ltd., Advertising Agency, Montreal.

Charitable Donations Seen Unaffected By EPT Changes

Although the 100% excess profits tax rate no longer applies to corporate profits, Community Chest officials do not need to worry excessively about the effect on their current drive. That conclusion may be drawn from the charity figures in the report "Taxation Statistics" of the Department of National Revenue.

This report shows that, although the 6,116 firms paying the 100% EPT rate in 1944 donated $7.1 millions to charity or 83.7% more than the $3.9 millions donated by the 13,621 firms not in the 100% bracket, there was very little difference in the proportion of taxable income donated to charity. Actual figures were 0.95% as compared with 0.87%. Firms in the first group gave over four times as much per firm ($1,162 as against $284).

Neither group gave more than 1% of taxable income, while the total corporate charitable donations of the 19,737 companies was only a small fraction of the total income and excess profits taxes ($11 millions to $675 millions, or 1.6%). This would seem to indicate that tax liability did not play any important part in determining the amounts to be donated to charity.

Retail trade is indicated as the most charitable class in relation to taxable income—donating 1.77% of its taxable income. Donations of other groups were construction 1.20%, service 1.16%, wholesale trade 1.08%, finance 1.01%, manufacturing 0.89%, mining 0.54%, public utilities 0.51%, and agriculture, fishing and forestry 0.39%. Average for all companies is 0.92%. No claims for charitable donations are shown for three of the smaller groups, namely, fishing, oil and royalty syndicates and oil development companies.

Firms in the lower income groups are more generous relatively than the larger firms, although the average donation per firm of course increases the higher the income group. Smaller firms gave 1.66% of their taxable income to charity in 1944, the firms earning over $5 millions, 0.77%. Results for the various grouping show as follows:

Ind. Division $	No. of Cos.	Charity per firm $	To tax. Income %
Under 5,000	9,416	31	1.86
5,000— 10,000	3,110	113	1.64
10,000— 15,000	1,409	202	1.66
15,000— 20,000	898	246	1.45
20,000— 25,000	618	314	1.42
25,000— 50,000	1,561	426	1.21
50,000—100,000	1,149	764	1.10
100,000—250,000	856	1,693	1.07
250,000—500,000	357	2,742	0.80
500,000—1 million	192	6,448	0.93
1—5 million	142	15,099	0.76
Over 5 million	29	78,758	0.77
Total	19,737	556	0.92

Industrial Growth

Here Are Some Current Projects for Expansion of Business in Canada

Following is a further list of plant expansion projects under way in Canada, part of the billion dollar program to which industry has committed itself as first phase in its postwar drive for production and employment. In this department The Post presents each week all available data on new plant construction, to keep readers in close touch with these significant developments.

• • •

Imperial Oil

Imperial Oil President Henry H. Hewetson, Toronto, moves to build first three of many planned "Essotane" propane gas distributing depots in Canadian areas not served by manufactured or natural gas. Propane is liquefied petroleum gas.

Initial locations in Central, West, East regions southern Ontario. Sites, each 1 acre bought at Maple, Stratford, Carleton Place; Maple surveyed for CPR siding. Tanks and pumps ordered; building contracts pending. Imperial Oil delivery trucks to operate 79-80-mile radius each centre; gas to be metered out of 100-lb. metal cylinders on system designed to safeguard consumer from running out of fuel. "To be supplied later" are requirements in summer cottage and other remoter areas. Maple unit to be in operation early summer.

• • •

Abitibi

Abitibi Power & Paper, President D. W. Ambridge, Toronto, takes down boarding from doors, windows of Sturgeon Falls, Ont., mill and houses after 16-year shutdown; will spend $2 millions over two years on rehabilitation; reopen to make 100 tons a day of corrugated paperboard for lining and packaging. Original capacity 23,000 tons a year. Uncertain whether employment will approach 400 in plant, 1,000 in bush as in 1920.'s

Much equipment removed since Nov., 1930, shutdown; emphasized that reopening and rehiring to be gradual. But Sturgeon Falls (pop. 4,576; 80% French Canadian) already is calling back migrant fathers and sons from district farm and distant city.

• • •

Alliance Ware

Alliance Ware, President Frank M. Ross, Vancouver, steps up output of porcelain-enamelled pressed steel bathtubs and sinks in new 36,000-sq-ft. $90,000 Vancouver plant, opened Aug. 1 with limited production. Capacity 150 tubs a day, 125 sinks, but material shortage prevents full operation. Alliance imports partly fabricated pressed steel tubs and sinks from affiliate of same name at Alliance, Ohio. Vancouver staff 55. Managing Director R. E. Strain says plan is to expand into enamelling of sinks, stoves, refrigerators, showcases on custom basis for local manufacturers when shortages ease.

(At Streetsville, Ont., foundation is in for custom porcelain-enamelling plant of Graham Bell Ltd., new company of P. Graham Bell, Joseph W. Axon and George Burton—The Financial Post "Industrial Growth" Oct. 19.)

• • •

Canadian Titanium

Canadian Titanium Pigments, CIL subsidiary, plans spring start to build new plant Cap de la Madeleine, 16 buildings, $5 millions plus, including land, equipment; contractor Fraser-Bruce Engineering. Deferred in the 1930's. To make titanium dioxide, "whitest" pigment available for paints, rayon, linoleum, oilcloth, rubber, special papers. Extraction from titanium-bearing black sand and ore requires both chemical, mechanical processes.

New plant said likely make Canada independent of U.S. product; doubt surplus for export. Initial employment 250. Ex-CIL "Cellophane" and chemicals branch manager R. B. Winsor to manage.

• • •

Warwick Woollen

Warwick Woollen Mills at Warwick, Que., starts $200,000 plant extension there; contractor Poudrier & Boulet of Quebec City. Warwick weaves wool blankets, frieze, overcoating, tweed suiting.

• • •

Meredith Simmons

Meredith, Simmons & Co., President Arthur B. Meredith, Toronto, has walls going up for new plant at Lachine, near Montreal, to employ 50 on spring completion; 36,000 sq. ft.; cost $200,000 equipped; contractor Douglas Bremner Construction; concrete foundation, steel frame, brick veneered concrete block and clay tile walls. Product: Dry and liquid glues, cements, pastes, printing gums, sizing materials, technical gelatine.

• • •

Hinde & Dauch

Hinde & Dauch Paper of Canada improves Toronto and Trenton, Ont., plants. President is Sidney Frohman, Sandusky, Ohio; vice-president general manager L. F. Winchell, Toronto. Trenton gets one-floor warehouse addition 28,000 sq. ft., 141 by 202 ft., concrete and brick, steel sash, truss roof. It will hold 3,500 tons finished strawboard for use in Hinde & Dauch Trenton and Montreal plants; release storage space in Toronto plant. Toronto plant improvement includes new elevator to all floors except basement, a widened receiving-loading platform.

• • •

Sask. Pool

Saskatchewan Pool Terminals, President J. H. Wesson, Regina, plans $1.8 million outlay to replace workhouse at Port Arthur Pool No. 5 elevator, destroyed in blast and fire August, 1945; demolition now complete, piling to be driven this fall, concrete to be poured in spring, completion late summer; engineer, The C. D. Howe Co., Port Arthur. New workhouse standard design, reinforced concrete, 400,000-bu. capacity; car shed section with two car dumpers, two shovel pits, first-class cleaning and shipping equipment, "maximum" cleaning capacity. Employment will be "same as before." Port Arthur general superintendent is Jack Chaney.

• • •

Dom. Tar

Dominion Tar & Chemical, President A. O. Ponder, Montreal, starting warehouse extension to suburban Ville LaSalle plant; completing Cornwall fibre conduit plant extension.

Ville La Salle extension, for roofing material storage, doesn't increase production capacity or payroll; cost $250,000; architect, Colin H. Copeman; contractor, J. S. Hewson; 360 by 128 ft., concrete, steel, corrugated aluminum siding; completion Mar. 1.

Cornwall extension scheduled complete Nov. 30; cost, $300,000; engineer, T. Pringle & Son; contractor, Richard & B. A. Ryan; one story, reinforced concrete (chiefly), steel and brick. It provides for "substantial" increase in output of fibre conduit (for underground electric cable) and of fibre sewer pipe; 40 additional workers.

• • •

Program $543 Millions

Manufacturing establishments grossing above $50,000 a year reported 1946 spending plans for $543 millions on capital expansion, repair and maintenance account. Two thirds of this or $360 millions was earmarked for new construction, major improvements, new machinery and equipment. Smaller establishments and nonreporting new firms added about 11% to the indicated value of the program.

That, for manufacturers, is salient finding of Reconstruction Dept.'s recently completed survey of 1946 spending plans of business (The Financial Post, Oct. 12). This, first report of a new annual series, is expected to be a big help in measuring Canadian business moods and prospects. Early-year release is promised in future.

Until "after-the-fact" statistics arrive, this delayed first complete official survey and report on current spending plans of business will stand as best available measurement of the 1946 factory construction, repair and equipment installation which has been evident in great volume since last spring across the Dominion.

Here's how the larger manufacturing group's $543 million capital, repair and maintenance spending plans for 1946 were distributed, according to the report:

	$ millions	%
Regions (% of $543 millions for manufacturing):		
Ontario	290	53.5
Quebec	159	30.0
British Columbia	47	8.5
Prairies	27	5.0
Maritimes	20	3.7
Greater Cities (% of $232 millions among six):		
Toronto	83	35.8
Montreal	75	32.3
Hamilton	42	18.1
Vancouver	18	7.8
Winnipeg	8	3.4
Windsor	6	2.6
Categories (% of $1.17 billions, all industry, banking, utilities):		
Iron and its products	121	10.3
Wood, paper products	117	10.0
Vegetable products	84	7.2
Textiles	58	5.0
Nonferrous metal prods.	52	4.5
Nonmetallic mineral prods	46	4.0
Chemicals, allied prods.	33	2.8
Animal prods., (except textiles)	25	2.1
Miscellaneous	6	0.5
Total	543	46.4

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Commissioner S. N. MacEACHERN

What They Talked About

A Digest of Addresses Given at Chamber of Commerce Convention

Delegates who attended the annual convention of the Canadian Chamber of Commerce at Winnipeg heard a number of prominent Canadian business and professional men and agriculturists deal pointedly with subjects related to the theme of the convention: "Private Enterprise." The Financial Post herewith presents the second installment of digests of addresses delivered at the convention.

Hon. Mr. Justice T. C. Davis, Canadian High Commissioner to Australia: "There is considerable loose thinking with respect to world conditions as they exist. Too many people think war is inevitable. We have just emerged from the first real global war and any such colossal struggle is bound to disturb the world, not only economically, but politically. It is going to take years for this boiling pot to settle down and become still again. What this world needs is patience and understanding. The United States and Russia, neither of which were very active participants in the international scene before the war, now stand forth as two of the major powers. I think it is well for the world and its future peace that they are taking the active interest each is displaying in world affairs. From the war, a new British Commonwealth is evolving. It still remains one of the greatest and most powerful political forces on earth. Out of the war has emerged for reconciliation two entirely different systems of government, and two entirely different economic systems. On one hand, we have Russia's, on the other our own systems. Each thinks it has the best system on earth. In a world where these two systems are operating side by side, suspicion of each other's motives is almost inevitable. Canada occupies a unique position as a middle power. All we ask is to be left alone to develop our own system of society and life. We must pursue a policy which will keep together in friendly association, the nations which constitute the British Commonwealth. The policy must be one of continued friendship with the United States. And above all else, Canada needs to see the successful operation of the United Nations Organization. No nation on earth needs peace more than we do. No nation needs to give more powerful and more consistent support to the working of the United Nations than does Canada."

Walter P. Zeller, Chairman of Subcommittee on Economic Development: "There is no justification for the attitude of people who witness the growth of ideas which they acknowledge to be dangerously misleading, and remain indifferent about them. Yet we who value a free economy must admit that freedom of enterprise was never so encumbered in practice nor so widely criticized in theory as it now is. The North American continent remains the only considerable section of the globe still committed to the free enterprise system. Even in our own country, we are witnessing a widespread, organized and open attack on the basic idea of free enterprise. At the same time, business is hampered and restricted by unprecedented taxation and unparalleled Government supervision and control. This has repercussions beyond the field of commerce and industry. We have cherished freedom of the press as one of the cornerstones of liberty. I challenge anyone to read the Broadcasting Act and say that, if similar restrictions were applied to the press, we should not consider that its traditional freedom had been seriously curtailed. I have been surprised that state control of radio could have advanced so far without more active concern on the part of citizens at large concerned about their democratic rights of free speech. To my mind, if the effort of the Chamber is to have an appreciable significance, a much more extensive and intensive campaign is essential. In the first place, I think the Chamber needs the services of experienced public relations counsel. The popularizing of annual reports is a movement which the Chamber should try to accelerate by every possible means. Constant publicity explaining how individual industries are contributing to an increased standard of living, can have a marked effect on public thinking."

D. L. Morrell, executive secretary: "Five new highs were recorded, (1) in the number of boards of trade and chambers of commerce in Canada; (2) in the number active; (3) in the number of individual members; (4) in local incomes; (5) in the number of units participating in the national movement. This situation reflects bountiful leadership and adequate personnel in the secretariat. Over 100 organizations and reorganizations have taken place and the national Chamber's membership has increased from 177 to approximately 300, or three times the average membership up to 1944. Rather than spread our policy development and pronouncement thinly over a large number of economic questions, our executive work was confined mainly to fields of public finance and taxation, increased production, labor-management relations and the opening up of foreign commerce. To encourage freedom of enterprise and preserve individual liberty is our over-all objective."

DENTON MASSEY

member of Parliament, and a Group Captain in the RCAF during the war, has been made president of Denton Massey Motors Ltd., Willys distributors.

Mrs. Edgar D. Hardy, C.B.E., vice-president of the International Council of Women: "The position of women was never more important. It has to do with sociological as well as economic policies; it affects home life on which democracies are built; it has to do with the country's population both in numbers and in quality. Business, political and social problems cannot be solved without the closest teamwork between men and women. It is a real testing time for Canadian women. To me as a woman, private enterprise means a good deal more than some dry and stuffy textbook definition. As women, we want to live in a Canada in which we can raise our children in our own homes and in the schools of our choice, not in public institutions under the guidance of the state. As women doing the largest share of the country's purchasing, we want and expect freedom of choice. Can any woman imagine living under a regime which dictated the kind of house in which to live; the kind of clothing to wear; and even the opinions which we are allowed to express? We must never allow ourselves to reach that stage to which others are apparently anxious to see us move, in which the state will decide what is to be produced and in what quantity; a condition in which we will have little more freedom than an animal in a zoo, which has a certain amount of security but which has lost the most precious of all things, freedom."

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Hail Icebreaker Largest Vessel Built in Canada

MONTREAL, (Staff) — The 7,600 ton Abegweit which slipped down the ways at the yards of Marine Industries Ltd., Sorel, last month, is said to be the biggest all-welded vessel ever built in Canada and also the heaviest ship, in terms of out-of-water tonnage at launching, yet built here.

The Abegweit is the Department of Transport's new icebreaker to be used for the ferry route between Borden, P.E.I. and Cape Tormentine, N.B., replacing the ferry Charlottetown, which was sunk off the coast of Nova Scotia. From shipbuilders' standpoint, construction of this ship marks a new phase of Canadian construction, in that she is the first important "specialty" ship built in Canada. Marine Industries 1,200 ft. ship carrier—said to be the world's largest marine railway—was used to launch the craft.

Canadian shipbuilders are now wondering if they will get enough additional orders to keep them busy. Marine Industries during the war turned out a succession of 10,000 ton cargo ships and is now understood to be looking for other contracts. During the 1930's, many Canadian shipyards were forced to curtail operations drastically. Since then, however, shipyards here have demonstrated their ability to turn out a variety of ships for specialized service.

Ferry Abegweit was designed and constructed especially for ice-breaking jobs. In its 372 ft. hull it carries eight double Diesel engines, built by Dominion Engineering Co., for ready manoeuvrability; and to assist in ice-breaking, two of the ship's four propellers are located in the bow. By this arrangement the water is sucked from beneath the ice ahead of the vessel, enabling the ship to crush the ice more easily.

Seagrams to Call Preferred Stock

MONTREAL (Staff) — Distillers Corp.-Seagrams has announced its intention to redeem all the 5% cumulative preferred shares subject to approval of common-stockholders, at a special general meeting called for Nov. 14, 1946. The directors have already enacted By-law No. 36 which calls for reduction of the paid-up capital by elimination of the 200,000 presently authorized preferred shares.

Outstanding preferred shares will be called for redemption on Feb. 1, 1947 at $105 a share (U. S. funds) plus accrued dividends. The directors have fixed the close of business on Oct. 30, 1946 as the record date to determine the stockholders entitled to vote at the special general meeting in October and the annual general meeting to be held Nov. 14, 1946.

Dividend requirements for the 5% preferred stock in 1945 totalled $649,485 and in addition, $548,102 was appropriated out of net profit for sinking fund requirements. Had the preferred stock been retired on July 31, 1945, net profit of $13,-803,800 would have made earnings on the common stock $7.87 a share. Earnings per share in 1945 including refundable E.P.T. were $7.50 excluding appropriation for retirement of the preferred and $7.19 including the appropriation.

Company officials expect to bring out the annual report for the year ended July 31, 1946 before the end of this month. Earnings for the first nine months up to April 30, 1946, were $2.02 a share, compared to $1.38 for the same period in 1945. Retirement of the preferred will not have any bearing on this year's common stock earnings but will be reflected in the 1947 statement.

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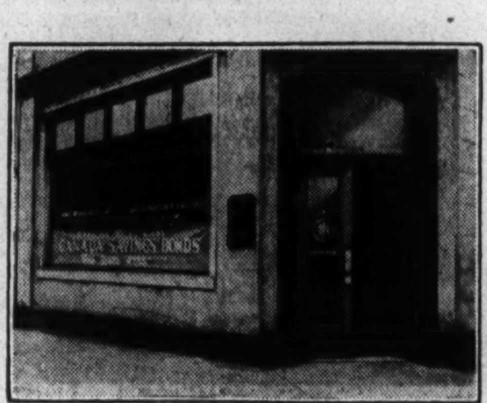

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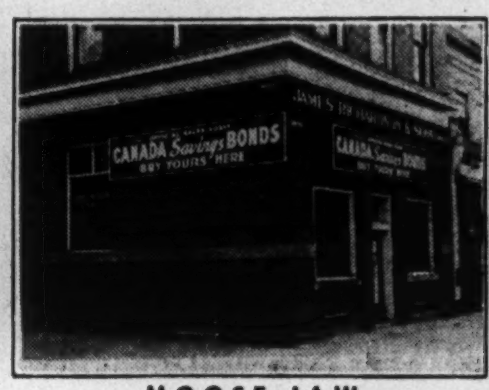

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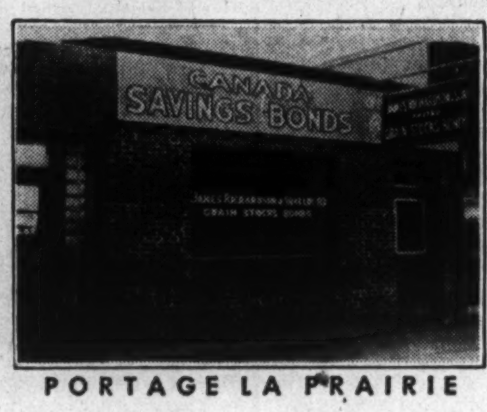

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Labor Roundup

Maritimes Miners Aim At UMW Nationalization

Between the basic daily wage rates of Maritimes coal miners and those in Alberta and British Columbia, there is a differential of $3.12. In the west, miners recently gained an increase of $1.40 a day (giving them a basic $8.96) and a 40-hour week. Nova Scotia and New Brunswick miners, numbering about 13,000, are still working for a basic $5.84 a day on a 44-hour week.

Problem posed for the heads of District 26 of the United Mine Workers (CCL-CIO), currently meeting in annual sessions at Truro, is how to get the rates equalized. They are busy drafting demands to be made on Dominion Steel & Coal Co., Sydney, principal Maritimes employer, when present agreements come up for renewal February 1.

It is a certainty they will demand at least $2.50 a day increases and a 40-hour week, plus changes in overtime pay rates, pay for statutory holidays not worked, double pay for statutory holidays worked, and company maintenance of a welfare fund on a tonnage-royalty basis.

But District 26 miners are aiming even higher. They want the coal mining industry negotiations to be conducted on a national (rather than regional) basis. To this end they will probably set the expiry date of their new contracts to coincide with expiration of western contracts in District 18. Eastern miners feel this move would strengthen the position of UMW in bargaining for wage and hour programs. In addition, eastern miners have asked John L. Lewis, international president, to set up a national office in Canada.

But national unity for UMW is not going to be as easy to achieve as all that. So far, District 18 miners have refused to agree to establishment of a national office and they have not been interested in the questions of uniform expiry dates for contracts and wage parity.

Besides, the District 26 executive has taken the first step toward changing their affiliation from CIO to AFL in accord with the move made by Lewis last winter. District 18 miners have done nothing in this respect and still maintain their connection with both the Canadian Congress of Labor and the CIO.

A side issue at the Truro convention is the dispute between Clarence Gillis, CCF member of Parliament for Cape Breton, and UMW researcher C. B. Wade, over Clause 6 of Order-in-Council PC 3689. This order enables the minister of labor to order a government-supervised strike vote either before or while a strike is in progress. Gillis holds that while the order should be repudiated, Clause 6 is worth retaining because "it means the executive board of the union cannot take you into a strike without a proper vote." Wade has made a case against the order on the basis that it constitutes an attempt by the Government to "weaken and divide labor."

• • •

B. C. Miners Vote On Return to Work

An impasse has been reached in efforts to settle the strikes in British Columbia gold-copper mines where more than 1,000 miners have been on strike since July 3. Chief Justice Gordon M. Sloan's proposals have pleased neither the miners, who are members of the United Mine, Mill & Smelter Workers (CCL-CIO), nor the operators. The miners rejected his proposed wage increases and the operators turned down his check-off recommendations. This week the miners are voting on Justice Sloan's suggestion that they return to work and leave these two points for negotiation.

• • •

Rift in Saskatchewan Civil Service Body

A split in the ranks of 3,000 Saskatchewan Government employees is apparent in the nomination of two complete slates of candidates for offices in the executive of their association. The elections take place between Nov. 10 and Jan. 6. The split is said to have resulted from differences of opinion on the association's affiliation with the Trades and Labor Congress. The new faction leans toward the Canadian Congress of Labor and the CIO, and if it should supplant the existing executive, it will attempt to switch the association's affiliation accordingly.

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Unlawful Assemblers Given Lengthy Terms

At the height of the printers' strike at the Vancouver Daily Province last July, a gang of picketers dumped one of the company's trucks and burned bundles of newspapers in the street. Police, in breaking up the show, arrested William B. Friesen, Jack Rockandel and Robert Daniels on charges of unlawful assembly. Last week Mr. Justice J. O. Wilson sentenced Friesen to eight months, Rockandel to six and Daniels to four. "You thought you were friends of labor," he said, "but actually you were enemies."

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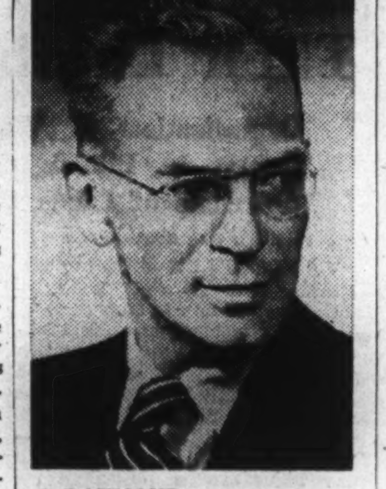
UEW Strike Program Nears Finale

Last of Ontario's summer-long strikes at Amalgamated Electric Corp's Toronto plant, affecting 700 employee members of the United Electrical Workers (CCL-CIO), is about over. With Hon. Charles Daley, provincial labor minister, presiding and his chief conciliation officer, Louis Fine, sitting in, meetings between the company and the union are proceeding this week at Queen's Park and a settlement is expected before the weekend.

A union official said the settlement would probably follow the pattern on which three other major strikes staged by UEW workers have been settled in the last fortnight. With increases of 13c. an hour, shift bonuses, paid holidays, and arrangements for dues check-off, about 6,500 workers at Electro-Metallurgical Co., Welland, Canadian Westinghouse Co., Hamilton, and Canada Wire and Cable Co., Leaside, have returned to work.

Meanwhile, an important series of meetings between Canadian General Electric officials and UEW representatives of their employees at Peterborough and at three of its Toronto plants, is being held at Peterborough. CGE was not struck and the company has been discussing wage increases with the union for three months. They are still 7c. apart, with the company willing to maintain the same take-home pay for a 44-hour week that it has paid for a 48-hour week, and offering a flat 6c. increase besides. But the union is holding out for 13c. more.

CELANESE CORP. OF AMERICA new common shares were admitted to the official trading list of the Montreal Stock Exchange on Oct. 23. New listing consists of 5,514,108 shares of common stock, no par value, to be admitted upon official notice of issuance, pursuant to a split-up on the basis of 2½ new shares for each old share held.



A. RAYMOND

has been appointed vice-president and general manager of International Braid Co. of Canada, St. Rose de Laval, Quebec.

CANADA ELECTRIC CO., Eastern Utilities Ltd. subsidiary, has completed plans to spend $2.5 millions over the next three years, N. T. Avard, general manager of Canada Electric, announces. Chief item in this expansion program would be installation of a 20,000 h.p. turbine in the company's steam generating plant at Maccan, N.S., doubling the present generating capacity.

ASNAZU GOLD DREDGING showed a net loss of $1,800 in year ended Apr. 30, 1946 (net profit of $311,020 in previous year). Bullion production fell to $914,330 from 5,666,400 cu. yd. (off from $1,292,713 from 5,569,400 cu. yd.). Two dredges operated throughout the year.

Gravel reserves as at Apr. 30 were estimated at 56,600,000 cu. yd. grading 16.8 cents a cu. yd. (67,927,000, grading 16.9c.).

Current assets were $755,454 and liabilities $211,573 at Apr. 30.

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"It's not yet too late"

Montreal Power and Government

A LAMENTABLE deficiency of government morality in Quebec is demonstrated in the report of the negotiation committee for shareholders of Montreal Light, Heat and Power Consolidated on its discussions with provincial authorities on the question of compensation for assets of the company which were expropriated about 2½ years ago.

Terms of the report indicate plainly that the provincial government is pursuing a policy of attempting to outwear the patience of a large group of shareholders who were arbitrarily deprived of the major portion of their equity and the bulk of the earning power behind their holdings. The fact that the actual grab of the "Power" assets was carried out by a previous administration provides no valid excuse for the course followed by the Duplessis government in the matter of compensation. Having bitterly attacked its predecessor in the Legislature for the manner in which the assets of the big Montreal utility were taken over, the Duplessis administration, to be consistent, should have made every effort to ensure that compensation for the expropriated assets be made as quickly as possible and on a basis commensurate with the actual value and earning power behind the assets acquired.

Not so, however. Conceived as a political expedient by one government, the expropriation of Montreal Power has been carried out as a political manoeuvre by its successor. In neither case was any regard shown for property rights nor for the equitable treatment of a host of small investors among the shareholders of the company — many of whom had acquired the stock years ago as customer owners and who had good reason to believe that they were maki a sound investment.

The report of the negotiating committee indicates that the Quebec Hydro, supported by the provincial administration, is prepared to pay for the company's stock little more than half of the valuation placed thereon by valuators employed by the company or, as alternative to a cash payment, an exchange of securities which would give shareholders a return of only two-thirds of what they had been receiving before company was taken over; and not much more than half net earnings accruing to the Hydro from the assets expropriated.

In the course of discussions, the report indicates, Premier Duplessis voiced the high-sounding argument that he and his government were guarding the rights of the people of Quebec. This is a very laudable objective, but the fly in the ointment is the question of whether the Premier and his colleagues have rightly gauged the wishes of the people — if, indeed, they ever were really considered. We doubt if there exists even a relatively large minority of Quebec citizens who would approve of their government taking unfair advantage of any group of people as has been, and is being, done in the case of the Montreal Power appropriation.

The Labour government in Great Britain, so far as it has gone with its program of nationalization, has set an example of fair treatment and respect for property rights that might be followed to advantage by the Duplessis government. Even the Moscow communists, in their handling of the Petsamo nickel expropriation, have put Quebec to shame.

Much harm already has been done to the credit of Quebec by the handling of the Montreal Power situation. Considerably more harm can yet accrue; but, on the other hand, much of that already done can stil' be undone by a change in attitude on the part of the government. It is not yet too late to mend fences - but it soon may be.

An editorial reproduced from a recent issue of the Financial Times, Montreal.

THE unfair treatment being given the shareholders of Montreal Light, Heat & Power Consolidated by the Quebec Hydro-Electric Commission is giving the Province of Quebec the kind of unfavourable publicity which not only jeopardises the reputation of the Province, but will surely result in serious financial harm.

This editorial by the Financial Times states the case accurately and with conviction. It is not by any means an isolated comment. Every time such items appear in the press Quebec's reputation is further damaged. It's not yet too late to make a fair and reasonable offer for the assets of Montreal Light, Heat & Power Consolidated.

Published by
MONTREAL LIGHT HEAT & POWER CONSOLIDATED
on behalf of its 30,000 shareholders

WHAT'S NEW IN BUSINESS

"Pet-Metics" for Dogs

A new firm in Manhattan will soon start distribution across the United States of a line of cosmetics for dogs. The firm calls itself "Pet-Metics" Products Company and the product in question is termed Dog-Metics. Dog-Metics will sell at $1.98 per set, and include a package of shampoo, flea powder and perfumed coat dressing.

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Packaged Air Conditioner

Just unveiled at the Refrigeration and Air-Conditioning Exposition, Cleveland, and expected for delivery at the New Year is a new Gemco packaged air conditioner. With capacity suitable for stores, offices, restaurants, barber shops and small plants, the unit features an aluminum, semi-hermetically sealed motor and compressor housing. Motor cooling is by refrigerant gas instead of conventional oil. It can be connected to ½-in. or ¾-in. water pipes, plugged into standard 220-volt, 3-phase, 60-cycle outlet. Water consumption is claimed to be about half that normally required and vibration is said cut to a minimum. Use of aluminum saves 300 to 400 lb. over other units of similar capacity.

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Coffee Table Tile

Cory Corp. has added another accessory to its line for use with coffee-makers. Latest is a new ceramic table tile for holding a coffee-maker or other hot dish without heat damage to the dining-room table. Produced in an off-white shade, the tile carries a rich coffee brown design that blends with regular table settings.

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Faster Airline Tickets

American Airlines has devised a new ticket form for use on most of its lines. It can be issued passengers in a matter of seconds, with its listing of multiple destinations in route sequence. The agent need only write in flight number, date and hour of departure. Fares to all points and originating points are indicated on the reverse side plus a credit statement for refund on unused portions of the ticket. The new ticket form is the result of 10 months' study, officials say.

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Process Furnace Surplus

War Assets offers for sale industrial furnaces worth $1 million, stationary and continuous operation, for fueling variously by gas, propane gas, oil, electricity. Types include carburizing, annealing, heat-treating, stress-relieving, nitriding and varnish-baking. Sizes range from bench-type hardening furnaces to 80-ft. continuous annealing furnaces with automatic quenching pits.

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Fuel Oil Water Heater

Eliminating gas and electrical connections, a new water heater which operates automatically on fuel oil, is now on the market. It is estimated that it can provide hot water for a family of four at about 4c a day. Each Duo-Therm water heater model has an hourly recovery rate equal to the capacity of its self-contained storage tank. Other features include heavy gauge, high temperature, hot-dipped galvanized steel boilers; central boiler flue to provide for quick heat transmission; precision thermostatic control; handy water temperature adjustment; automatic draft regulator and a constant level oil control to provide an accurate and uniform metering of oil; and thorough insulation.

Manufacturers of products that are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respects it is new, and indicate its significance to its field.

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Copper Naphthanate

Good for wood, rope, canvas, nets and fabrics is a new In-Var-Co fluid preservative developed during the war and used in the field. Soon to go on the Canadian market, the copper naphthanate solution claims an effective penetration which prevents entrance of fungus or insect into cellulose tissue. Its action is permanent, and it can be applied by painting, spraying, or immersion of the material to be treated. Cost is said to be low: about one cent to treat 1 sq. ft. of wood. Applications are seen in tents, awnings and rope as well as in household woodwork, fence posts and farm equipment.

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Plastics at Sea

A Clydeside shipyard in the Old Country has gone modern to the point of replacing wooden decking planks with a colored plastic. A green plastic was tried successfully on the Blackburn, a naval vessel, and it is now being installed aboard the Mauretania. Just as strong as former wooden planking, the plastic is said to have several advantages—easily washable, does not need holystoning and will not absorb oil or grease, springy under foot, proof against tropic heat and arctic cold and fireproof. In addition, the green color is said to be restful to the eyes against sea glare. Another use of plastic in shipbuilding is in treatment of hulls below the waterline to present a smoother surface with less friction. The Queen Elizabeth has been treated this way and the Queen Mary is scheduled for the same.

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Midget Crystal Holders

The GR-7 crystal holder is regarded by Federal Telephone and Radio Corp. engineers as something entirely new in the crystal art. Developed to meet United States Navy specifications for very close frequency control in radio equipment under severe space limitations, the holder measures 5/16 in. by ¾ in. It is hermetically sealed and the crystal element is silver- and gold-plated and spring-mounted with the contact being made to plated extrodes through soldered contacts using a specially developed cold solder base. Base pins are kovar, fused to the kovar base through a glass bead. The unit is finding wide use in mobile radio and naviglobe radio application and is also specially convenient for use in temperature control ovens or for many channel crystal operations where space is at a premium. Frequencies up to 50 megacycles are now available.

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Ethocel Radio Cabinets

A new one-piece, injection-molded thermoplastic radio cabinet has been announced by Molded Insulation Corp. Molded of Ethocel, the cabinet claims to be strong and durable and flexible enough to resist damage if dropped. It is produced in ivory, cream, and light brown mottled. Injection molding of such units permits good styling, easier finishing operations, more economic fabrication.

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Dog Leash Reel

Latest gadget for the dog walker is an automatic reel upon which is wound 10 ft. of tough, durable plastic cord. The "Promenador," as it is called, has a brake which checks the dog at any desired length. With the brake released, the reel automatically rewinds the leash as the dog moves closer. The light compact reel fits easily into pocket or purse.

Koerner Bros. Expand Their Lumber Empire

Organization of Western Forest Industries Brings in British Capital to Spur Export Activities of Czech Plywood Operations

From Our Own Correspondent

VANCOUVER—The brothers Koerner — Leon and Walter — added another link to their chain of British Columbia lumbering interests last week with the organization of Western Forest Industries. The Koerner family arrived here as refugees from Czechoslovakia in 1938 and established two companies — Universal Box Co. and Alaska Pine Co. Three brothers organized the business here but Otto, vigorous production man of the trio, died a few weeks ago.

Leon Koerner, head of the group, is a one-time head of Czechoslovakia's forest administration. He established the first Koerner mill in Canada shortly before World War II; followed it up with the big box factory, the logging company on Vancouver Island, and now, with new capital, has bought the Lake Logging Co. for some $5 millions. This firm was one of the last "independents," and its purchase underscores the trend toward concentration of B. C. sawmill production in the hands of a relatively few big operators.

The setup of Western Forest Industries, is significant also for the entrance of British capital, as represented by Sir Walter Carpenter. The latter, for many years a leading figure in the copra trade and shipping in the South Pacific, made large investments in Vancouver just before the war.

Here in outline is the present B. C. situation in lumber, plywood and shingle production.

MacMillan Setting Pace

So far as control over productive facilities is concerned, the so-called H. R. MacMillan group is setting the pace. It not only owns and operates two of the largest sawmills in the province and two important plywood plants; through its arrangement with B. C. Forest Products, Ltd., an E. P. Taylor enterprise, it manages four additional mills, all of substantial size.

The Koerners have been playing a lone hand in the export trade and are not identified with either of the two major export organizations—H. R. MacMillan Export Co. or Seaboard Lumber Sales, the latter with a membership of some 30 sawmills, including the huge Canadian Western Lumber Co., with its Fraser Mills operation, largest in the Empire, and the Bloedel, Stewart & Welch mills.

With his tie-in with Sir Walter Carpenter, operating a fleet of ships in the Pacific, Koerner will have an opportunity of pursuing his independent course in certain markets.

Textiles To Timber

Another big factor in the lumber industry also has its origin in Czechoslovakia — Canadian Forest Products, Ltd., headed by Otto Pick, an important textile manufacturer in Europe before the war. He and his associates came to British Columbia with the idea of establishing a textile business, but saw possibilities in plywood manufacture and financed the organization of Pacific Plywood, Ltd., instead. This was so successful that the family threw its lot in with the forest industries, as did the Koerners—Eburne Sawmills, Ltd., was purchased, and also the vast timber holdings on Vancouver Island of the late Ossian Anderson, whose Puget Sound Pulp & Timber Co. had sought to make its forest a source of export logs to pulp and paper mills in Puget Sound.

So much for the productive facilities of the Big Five, now identified as MacMillan, Canadian Western, Bloedel, Canadian Forest Products and Western Forest Industries. The situation is a good deal the same in the control of standing timber, with the same five groups more or less dominant.

In the forest industry in general there are, of course, other major interests, such as the pulp and paper mills, notably Powell River Co. and Pacific Mills, Ltd., which are among the largest timber holders in the province.

"Creeping Northward"

The concentration referred to has been dictated mainly by the gradual reduction in the accessible stands of coast timber. As Chief Justice Gordon Sloan pointed out in his report to the Provincial Government last year: "The logging industry, no longer capable of westward expansion, is creeping up the coast northward. Logging activity now centres about 150 miles north of Vancouver. This means that the best stands in the valleys and on the lower slopes are disappearing, and operators are taking their cut from the higher altitudes, both topographically and geographically. It follows that allied to and paralleling the depletion of the mature stands, and as the timber-line recedes to mountain slopes and higher altitudes, log grades are slowly but inevitably declining in terms of relative percentage."

The scramble for what remains of the more easily accessible timber has brought about the intense competition, the vigorous expansion of the large companies in securing timber supplies for their mills and the difficulty of the smaller, log-buying mills which are without their own controlled forests. The rising cost of operation, due to the receding stands, has been another factor in making the contest a matter of the survival of the fittest.

When the Government settles down at the next session of the legislature to plan its long-term program to perpetuate the forest industry, it is to the big companies, efficiently managed and operated, with a big stake in continuing prosperity and with timber holdings large enough for the application of sustained yield methods, that the authorities must look for most effective co-operation.

Plastics on Market to Stay Buyer Confidence Increases

Though certain plastic products are reported running into increasing consumer resistance in the United States, Canadian retailers so far are finding no difficulty in clearing out such articles as plastic shoes, handbags, compacts and lipsticks, a survey of Toronto dealers reveals.

In fact, consumer confidence appears to be growing for many plastic articles, at first regarded suspiciously as wartime substitutes. Most important factor, however, dealers say, has been the substantial improvement in most of the plastics since they were first introduced.

One large department store official, while attributing some of the current demand for plastic goods to continuing shortages in other traditional materials, particularly leather, voices belief that most of the war-born plastic products are here to stay.

Plastic products have certain inescapable advantages such as lightness, and "washability," over many other lines and when the early, widely publicized, shortcomings have been completely overcome, the future seems assured. Pricewise, plastics will have the edge, several dealers say.

'Some of the more recent ladies' plastic handbags, particularly in vinylite, are reported being given a warm acceptance by feminine buyers. The old plastic tendency to crack when subjected to heat seems to have disappeared; the bag is lighter, and doesn't soil as easily, as leather, some dealers say. Such bags are being offered now in an increasing variety of colors, and simulating leathers in appearance.

Manufacturers and consumers alike are beginning to realize the limitations of plastic shoes at this stage of development. The earlier lack of flexibility is being overcome by use of better plasticizers; the lack of leather's "breathing qualities" is being counteracted by offering women's shoes in open-toed, strapped types.

Big drawback still, many shoe manufacturers claim, is the difficulty and extra time involved in working plastic fabrics into shoes. Generally speaking cement will not hold to most plastic surfaces as well as leather, and excessive heat, particularly in ironing our wrinkles, must be avoided with plastics. On the other hand the surface wearability of most plastics is good, better in some cases than leather. They can take a wide variety of grains and dyes.

"All in all, consumers are understanding plastics better today and the old psychological reaction to what was considered wartime ersatz products is rapidly breaking down" one dealer concluded.

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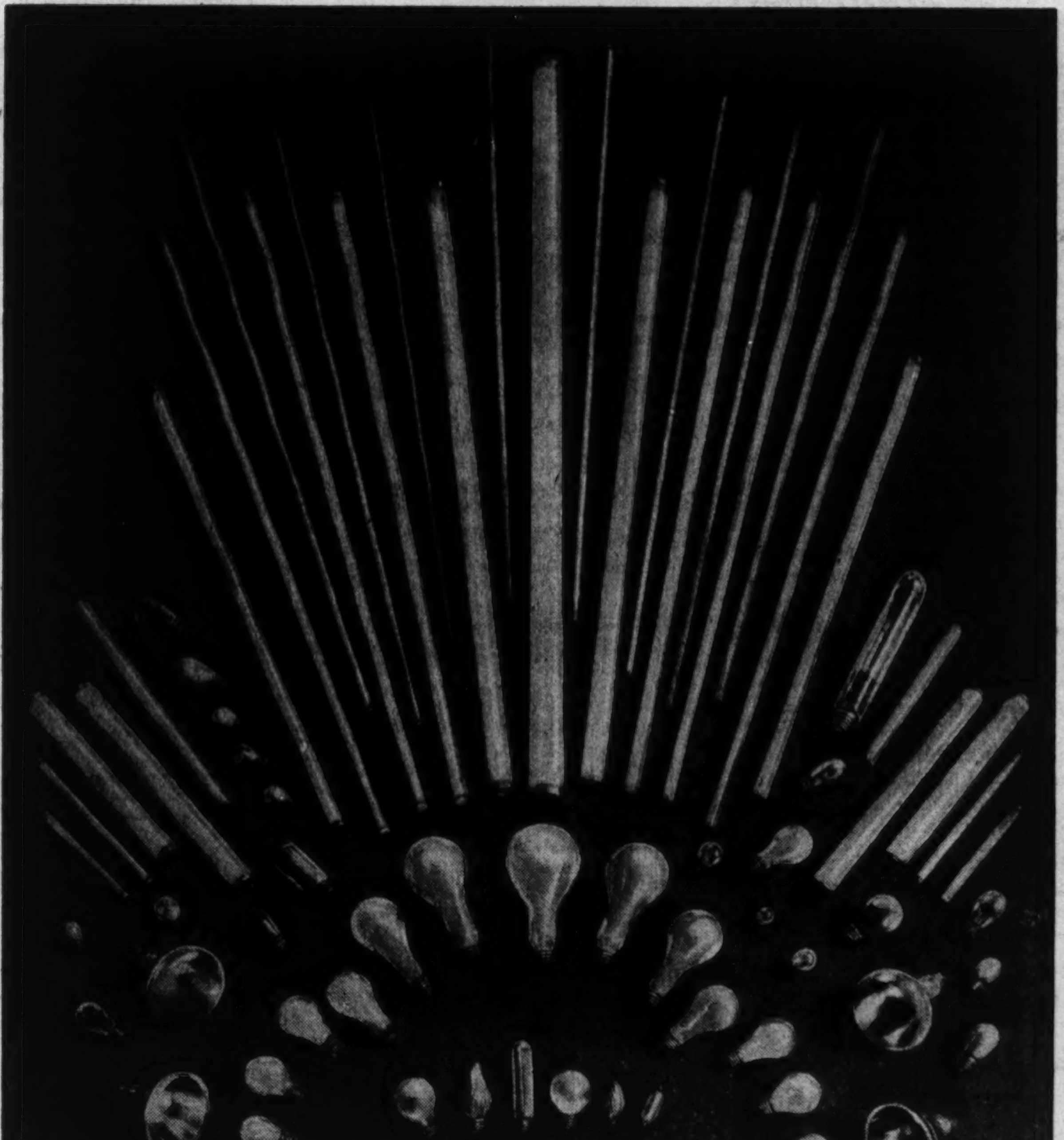

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What Are Canada's Plans for National Security?

Partnership or Independence? Ottawa Faces Major Decision

By KENNETH R. WILSON

Canada has two choices in planning her postwar military establishment.

We could go "isolationist" like Sweden and build a compact self-contained, completely independent military unit. This might cost a lot of money but it would preserve Canadian "sovereignty." It might also mean that Canada had ceased to be an important voice in democratic counsels. For in retaining our "independence" we would in all probability forfeit the close trust and intimate collaboration which we now enjoy with the two greatest democratic countries in the world.

The other course is the one we have chosen. That course is to link ourselves in partnership with Britain and the United States; to build in and around that partnership a small, highly trained, highly specialized establishment geared to act in concert with our big associates. As well, we have undertaken to press with all speed and thoroughness, the greatest possible standardization and interchangeability of weapons and equipment, as between Britain and United States.

Few people know that at Suffield, in southern Alberta, Canada has built and is maintaining one of the world's most outstanding military research establishments for biological and chemical warfare. During the war this station was a joint project of Britain and Canada. It was administered by the Canadian Army but all services shared in its work and achievements. Now it is completely Canadian. But to it come an increasing number and variety of top-priority jobs from Washington and London. The Americans, I am told, regard Suffield as invaluable. Also, they regard Canadian cooperation there as indispensable to their military planning and projections.

As well, Suffield has important civilian benefits. This is because the leading world experts in the dispersal of air-borne poisons are the experts in chemical warfare. They are also tops in knowledge on how to defend human beings from dangerous chemicals, etc. Thus their problems parallel those of agriculture and of those who continually war on pests and insects for the benefit of mankind.

Numbers Overestimated

Our new training establishment at Churchill is equally symptomatic. The bald, verbal reply to press enquiries about Churchill last month brought forth this information:

"A joint services experimental station at Churchill, Manitoba will be used for testing military equipment to be employed by Canada's peacetime armed forces. In addition, research work necessary to the development of new equipment will be carried out.

"Churchill has been selected because it offers conditions of extreme cold in the winter and moderate heat in the summer, and because of its year around accessibility by both rail and air."

Sensational stories blew this up into a big operation "manned by 5,000 Canadians" and possibly "an equal number of Americans."

The fact is that Canada has no intention of maintaining more than 500 Canadian troops at Churchill, for some time to come. But it is possible that within say the next three years, there may be at Churchill, in addition to 500 Canadians, 1000 American personnel.

Here again we see the same pattern of "partnership" and of a tight, high-quality operation being carried on in Canada with close collaboration from Washington.

But what about Canadian sovereignty?

The answer is simply this: that Canada has no objection to "partnership" so long as the partners observe certain definite rules when they are in Canadian territory.

One rule is that for operations like Churchill, the top authority rests completely with the Canadian commandant. (This means that the very ablest of Canadian military brains and leadership will be given posts like this. They must be men of high political and diplomatic calibre as well as competent strategists. Indeed, Churchill may become the training ground for most, if not all, the future leaders of Canada's armed services.)

A second rule is that Canada must be party to, and approve of, all decisions affecting "establishments" on Canadian soil: "We are members of the same team, but visiting players are our guests when playing on our grounds in peacetime."

These are the two basic rules. Once they are observed, it is not expected there will be any wide disagreement between the partners in working out the detail.

U. S. Was Impatient

The major controversy which sprang up a few months ago between Canada and the United States in respect to Arctic defence arose because of a furious American desire to "get going." Behind this was the fact that hundreds of millions of dollars of US army and navy funds had been appropriated by Congress but lay unspent. Unless a plan for spending these funds was put into action before the end of the US fiscal year (July, 1946) the authority would lapse. Thus the urgent, imperious demand for vast expenditure on grandiose air bases along the Canadian Arctic boundary, (The Financial Post, June 29, 1946)

This super-American enthusiasm has now cooled. At the same time, the Canadian government has been stung into moving more rapidly into some definite program and policy. This policy is not yet by any means completely "jelled." But it is far enough on the way, and close enough to present American thought and intention, to make prospects for a successful "partnership" extremely good.

In days gone by, Canadian forces used nothing but British equipment and weapons. It was not until the closing months of the recent war that a small Canadian force began training under American auspices for combat in the Pacific.

Meanwhile, almost insuperable problems of supply and material arose, because this continent had to be the arsenal of two radically different systems. Even the basic question of screw threads found the United Kingdom and the United States at loggerheads; when it came to weapons and ammunition sizes, etc., the gap widened incredibly.

The next war—if there is a next war—won't be fought like that. And the change for the better will, in no inconsiderable measure, be attributable to Canada's "partnership" role.

First, Canada has played a leading role in bringing about unification of screw threads between the "ABC" (American, Britain and Canada) countries. It was the conference in Ottawa in 1945 at which the most progress in this direction was made. Out of this (though little publicity has been given to the decision) there came, among other gains, the compromise "Buttress" thread for use by the fighting forces. This is one of a number of vital steps toward unification which are being taken or will be in the next few years.

Just how important is "unification," not only in threads but in sizes, specifications, communications, etc., may be gauged from one fact: the Navy of today never knows if it will ever get back to its home base. Atomic weapons may have completely obliterated that base. Therefore it is essential that the "friendly democracies" be able to service one another's ships.

The next point is standardization, or interchangeability of ammunition and weapons. The goal here is not complete standardization, which might rob us of individual skill and ingenuity in design, etc. But basic standardization, with a high degree of interchangeability, is considered essential.

Can Be Told Now

Last year Canada learned that Britain was considering switching from its .303 rim cartridge to the French rimless 7.92 mm. The French bore is slightly larger than the American, which led the British to believe they could make great savings by reboring their rifles to the French rimless standard.

This would have put us in a most difficult position; it would have meant a new and permanent cleavage with the American .300 rimless.

At once, top-ranking Canadian officials sent a blast to London, urging in the strongest, bluntest terms that no such step be taken. The British took heed. Now it is believed decision has been made to adopt the U. S. .300 rimless.

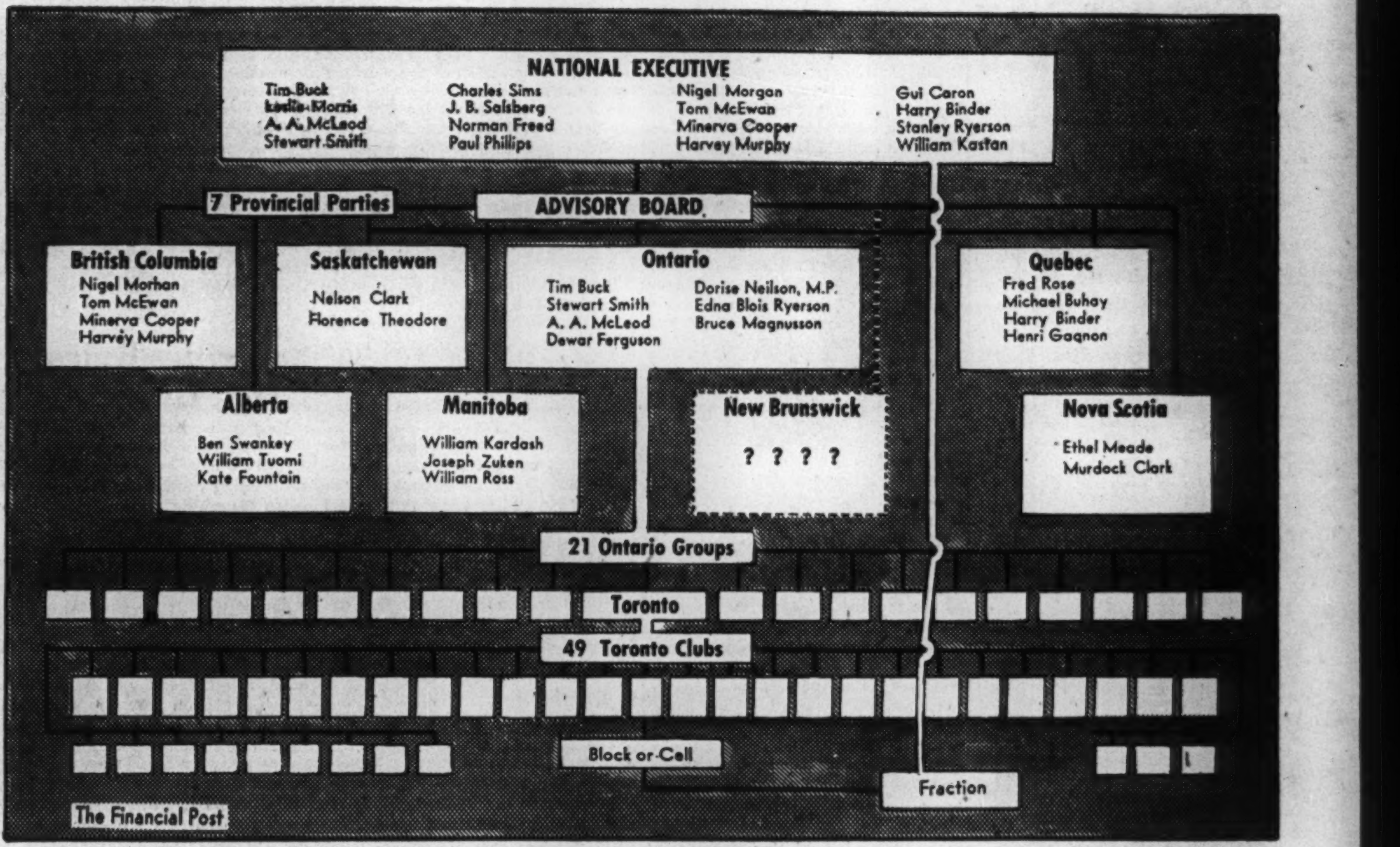
Said a high-ranking authority of this: "Canada could make no bigger contribution to the security of the world than to aid U.S.-U.K. rapprochement in this way. This is better than all the treaties in the world."

Not many Canadians realize that the capital cost of the new postwar Canadian Navy is considerably reduced by reason of the fact that its two chief capital ships—the aircraft carriers Warrior and Magnificent — are on loan from the British Navy.

The Warrior, commissioned last January, has a displacement of 18,000 tons, is 682 ft. long and requires a complement of more than 1,000 officers and men. It will eventually be manned entirely by Canadian crew. It is powered by Parsons engines generating 40,000 h.p. and with a rated speed of about 25 knots. The Magnificent, to be commissioned next spring, will be similar but more modern and will incorporate lessons learned in the Pacific.

Each of these flattops will carry two squadrons of aircraft consisting of 12 Firefly attack fighter-bomber-reconnaissance planes and one squadron of 18 Seafire fighters.

Thus the traditions and services of the two Navies will be in an important sense continued, now that the Canadian Navy is emerging from its wartime role as a small-ship antisubmarine fleet. The new 50-ship, 10,000-man fleet which is expected to emerge during 1947 will retain many of its traditional British links, yet will strike out on its own to train and operate for service in North American waters.



The ramifications through which the Communist bosses control the lives of party members is shown in this chart. Orders are passed down through the executives of seven provincial parties and through them to scores of regional groups. Because the maze so widespread, only the 21 Ontario groups and their component cells can be shown on the chart. Perhaps one of the most important units is the "fraction." This is a cell made up of party members in a given organization or movement. An example is in the Toronto city council which has three Communist members. They form a "fraction," take orders direct.

How Communism Grows

Drew Warns Against Selling Communists Short; Constant Vigilance Needed to Combat Menace

In 1919, three men, Freina, a Jap named Katayama and Jensen came from Moscow to Canada with $60,000 in gold and organized the Communist Party in Canada.

Today the Red network extends through eight provinces. In Ontario there are 21 regional groups; in Toronto 49 Communist clubs (see accompanying chart).

Almost ever since the spawning of the Communist movement in Canada George Drew, now Ontario's premier, has been watching and studying Communist activity with more than casual concern. Today he feels the communist menace is greater than ever before and this week, in an exclusive interview with The Financial Post, told why.

"In all too many countries," Premier Drew said, "people have awakened too late to the realization that the whole fabric of their society has been weakened by communist activity and that the threat of communist dictatorship was no visionary obsession."

Key to the activities of communists and to an understanding of them, Mr. Drew said, lies in Lenin's original instruction to his followers:

"Our task is to utilize every manifestation of discontent and to collect and utilize every grain of even rudimentary protest. Is there a single class of the population in which no individuals, groups or circles are to be found who are discontented and therefore inaccessible to our propaganda?"

That is the policy the communists are pledged to follow.

Hence some disarmingly beneficent agitations, in which communists play the leading or supporting roles—lower milk prices, hot meals for school children, playgrounds, are examples of causes to which communists attach themselves for their own purpose of fostering all agitations, maximizing every discontent.

This will go on, said Premier Drew, as long as the public makes the mistake of thinking communists have any other object than to create conditions under which communism will grow and spread.

There is no more fertile breeding ground for the cancer of communism than among the youth, he said. By concealing their real motives and aims, Reds bring many young people who would not knowingly have anything to do with communism under their distorted instructions and subversive direction.

"Perhaps," he illustrated, "the outstanding example of this is the National Federation of Labor Youth. The name is attractive. It implies a worthy cause. At a recent national conference many young people attended from different parts of Canada who were wholly unaware of its association with the Communist Party.

Actually the name of the organization is merely a substitute for the Young Communist League as the Labor Progressive Party is the new handle for the Communist Party. Both these attempts to conceal the real identity of the organizations were made when the Communist Party was declared illegal after war began.

This communist youth federation is well organized and financed. Its activities are directed particularly to community clubs, cultural groups, teen-age groups and other special organizations susceptible to communist infiltration. In every community, Drew insisted, it is of the utmost importance that those who are interested in this formation of such worthwhile youth movements should examine with the utmost caution the activities of tho e who would assume any special authority.

"Only a few days ago," he went on, "it was brought to my attention that in one Ontario town, the active direction of a 'teen-town group had been taken over by outside communist organizers. Fortunately local authorities took immediate action and the infiltration was nipped in the bud. Every community needs to be equally vigilant."

Part and parcel of this program is communist opposition to the introduction of religious instruction in schools, Premier Drew declared.

"They don't want faith of any kind instilled in the minds of Canadian youth," he said, "especially religious faith for they know that this is the strongest antidote to the communist poison."

Premier Drew believes Canada is uniquely fortunate, so far as he knows, in having such extensive factual information about the activities of communists within its boundaries.

There are the big volumes of evidence taken at the trial of Tim Buck and seven others in 1931. Currently there is the very revealing report of the espionage commission.

Referring to the recent epidemic of strikes, Mr. Drew said:

"There is one group which has no desire to see an improvement in labor relations,—the communists. It is of the utmost importance that our people should be aware of the real intentions of this evil force and realize what lengths it will go to prevent our efforts being successful. Soon, he added, the National War Labor Code will come to an end, and it will be the responsibility of the Ontario and other governments, to use the best possible judgment in bringing in adequate legislation to assure social and economic welfare.

It is his hope that there will be widespread and serious discussion during the next few months among political parties, organized labor, management and all other groups concerned with this problem and anxious to find the best solution.

Communists, of course, will make every possible use of this situation to distort the issues and increase the dissention, just as they are already at work trying to foment a new wave of strikes.

This is what Tim Buck has said about communist policy with regard to the labor movement:

"The political line of our party is to utilize this tendency of radicalization by adopting a policy of developing demands and initiating movements in different industries. . . . On account of the position of the Canadian working class, it is necessary to develop demands in advance rather than merely wait for sporadic outbreaks. Spontaneous strikes do not generally assume the proportions or the possibilities that the spontaneous strikes in the United States do because of the difference in size of the centres and industrial concerns. The political value of these strikes therefore tends to be less, unless we ourselves can prepare them in certain industries.

The result is that we have adopted the policy of developing demands in many industries and on this basis, sharpen relations and develop strike movements."

"Once we have mastered the political strike, the general strike is but a step. And the general strike during a political crisis is the gateway to revolution."

"Don't be misled into minimizing the Communist peril by saying they have no chance of winning enough seats to form a government," Mr. Drew said. "Even Reds themselves agree on that. Their purpose in contesting elections is to promote disruption and chaos."

Another reason is provided in Tim Buck's book, "Steps to Power."

"Few radicals realize the value in a struggle such as this, of official positions in local bodies; and yet local offices have, if organized, tremendous power. The education and training gained by holding such positions make local secretaryships, presidencies, vice-presidencies, etc., points of strategic importance, possession of which might easily make the difference between victory and defeat."

"We should learn to recognize Communists in whatever movement or cause they happen to espouse, no matter how worthy that movement or cause might be," Premier Drew said.

"Take for instance the milk situation. Some of their most prominent members are now trying to bring down the price of milk. Don't be misled by this display of apparent concern. They are not one bit interested in what other people are paying for milk. They are interested only in creating as much friction as they can. Their job is to pick on every possible issue which will lay the groundwork for an apparently legitimate demand, then arouse prejudice and friction to the fullest extent."

Referring to the challenge facing organized labor to protect itself against being made the cats-paw of communism, Mr. Drew said:

"Never was it more important that there be friendly co-operation between governments and organized labor. Never was it more important that there be co-operation and the spirit of goodwill between all our people in meeting the challenging tasks and new opportunities which lie before us.

"As a government, we have accepted with appreciation the suggestions of organized labor. I think it will not be amiss if we in turn offer suggestions of our own. With this picture before us—with this bold declaration by Buck himself of an intention to cause strikes only for the purpose of creating strife—I think it is not too much to suggest that organized labor with its fine record of achievement, can well take its own steps to meet this situation.

"The remedy lies in their own hands. They have it within their power to deal with this corrosive force by the simple democratic process of removing communists from office. If that is done communists will have little opportunity to advance their evil designs. The overwhelming majority of organized workers have no use whatever for communism or its anti-Christian doctrines. They have a golden opportunity now to help themselves and the whole of Canada, by clearing their ranks of this communist fifth column and in that way laying the foundation for lasting co-operation and good will between labor, management and government."

Here's U. S. Election Race Form Sheet How Their Legislative Machine Works

By RONALD WILLIAMS

On Nov. 5, the people of the United States will go to the polls to elect a new House of Representatives and 32 senators. The way the tide of public opinion is running at the moment, the Democrats are in for a severe drubbing—the first since 1933 when they swept into power on the New Deal bandwagon.

All national polls as well as private surveys indicate the Republicans will gain enough seats to control the House of Representatives. Odds are about even on their chances of upsetting the Democrat balance of power in the Senate whose members are elected for a six-year term, one third of them coming up for election every two years.

But no matter who wins, neither side may have a working majority with the result that the outlook is for a continuation of the tug-of-war between Congress and the White House, at least until the decisive presidential election in 1948.

The House of Representatives is roughly equivalent to our House of Commons. It has no power to alone enact legislation but it does control the nation's purse strings; it can refuse to vote funds for government activities which it disapproves. This in effect, gives it a veto power as effective as the president's to curb legislation he disapproves.

The House consists of 435 members. They are elected every two years. At present the Democrats hold 241 seats, 218 being a majority. Therefore, if they lose 25—and indications are they'll lose 35—they'll lose control. A victory here would be a feather in the Republican cap but it would not be final. The real control lies with the Senate and the President.

There is a distinct possibility, if the swing against the Democrats is sweeping, that the Republicans may also gain control of the Senate for when the electors go to the polls next week, they will also vote to elect 32 senatorial candidates. If this happens, election of a GOP president in 1948 would be likely.

The United States constitution provides that one third of the Senate must come up for election every two years. Thus, when both sides are about even as they are now, the electors can feasibly bring about a change of government every two years or at every election.

This can happen Nov. 5 if enough of the Democrat senators coming up for re-election are defeated. The Republicans would then control the Upper House too.

But despite a majority in both Houses and Senate, it does not necessarily follow that the Administration would be Republican, for the President still has the whip hand through use of the veto which requires a two thirds majority of both Houses to overrule. Only by lining up anti-New Deal Democrats from the South could the Republicans override a veto.

The United States Legislative system works like this: when a measure dealing with the same subject passes both House and Senate, the bills—often different in wording and shades of meaning—are sent on to a Conference Committee which attempts to blend them into one. Then the unified measure is returned to both chambers and, if satisfactory, is ratified.

It then goes to the President who has ten days in which to approve or disapprove. If he approves, the measure becomes law; if not, his veto goes to House and Senate to be voted on. If either body fails to register a two thirds objection to the veto, the measure fails.

Thus it is apparent that the Republicans with a majority of 10 in both House and Senate, would be up against the brick wall of the presidential veto in attempting to enact any legislation which would seriously disturb the New Deal.

American observers predict, in view of these circumstances, the following are likely and unlikely to occur if the Republicans win:

Likely: a reduction in personal and excise taxation; less government spending; reduction of foreign credits; higher support prices for farm products; review and overhaul of the veterans' housing program.

Unlikely: repeal of the Wagner Act; abandonment of social security; continuation of wartime controls; sweeping antilabor legislation.

The most important aspect of a Republican victory would be psychological. It would indicate that public opinion had turned against excessive experimentation in government, was hostile to special privileges given union labor; favored economy in administration.

It would also be a reflection of the bewilderment and irritation of the American people over the recent about-faces of the Truman administration on domestic and foreign issues; the now-we-like-it, now-we-don't reversal on the Wallace speech; the must-control, can't-control rulings on meat prices; the love-the-Russians, hate-the-Russians foreign policy.

If the Republicans control the House after Nov 5, they will be in charge of the important Ways and Means Committee which introduces tax legislation and all other committees. Thus the GOP could lower the estimated Democrat expenditures from $40 billions annually. Republican campaign speeches have talked $25 billions.

While it is improbable that a Republican victory would change U. S. foreign policy, since both parties are backing Secretary of State Byrnes, it is possible that credit grants for foreign nations would be sharply curtailed or even cut off. The United States national debt is now so huge (over $260 billions) that there is strong sentiment in favor of slashing budgets right and left.

Generally speaking, lack of a decisive majority for either side precludes any very drastic changes either way. An exception to this might be the kind of legislation without any political significance such as railroad reorganization or banking. But those who cherish hopes of a sweeping repeal of New Deal laws like the Wagner Act will quite probably be disappointed because the 1948 elections and the attitude of labor toward Republicans still remains a key factor.

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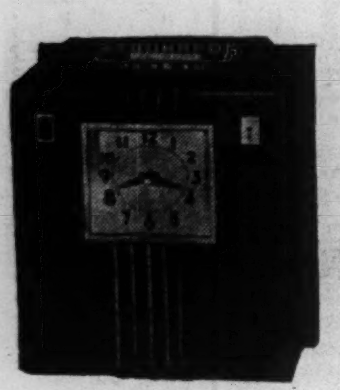

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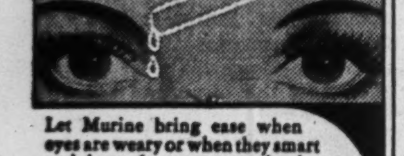

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LONDON CALLING—*By Adelphi*

Churchill, Bevin in Virtual Coalition Socialists Split on Foreign Policy

LONDON—The two-days' debate on foreign affairs has revealed, or perhaps confirmed, the difficult situation in which His Majesty's Government finds itself. The only cheers which Mr. Bevin received during his long survey of world affairs were from the Tory Opposition. More than a third of the Socialists are in revolt against his policy, which they say is simply the historic tradition of the Foreign Office and the Conservative Party; another third is silently antagonistic, and the remaining group is loyal but unhappy.

The situation in the Conservative Party is almost as complex. Mr. Churchill has now become so openly suspicious of Russia that he referred to her in the debate almost in the identical terms which he used toward Hitler's Germany in 1938. But he does not carry all his supporters with him on this issue. A considerable section of the Tories, especially the younger men, are of the opinion that Russia does not want or intend war and that our approach to her should be that of firmness, coupled with good humor and good will.

In fact, it might be said that in foreign policy Churchill is Bevin's chief supporter, and vice versa. Obviously, that cannot go on indefinitely. There will be a bust-up or a blow-up or some kind of an explosion in the Socialist ranks.

* * *

Think Churchill Gave Notice of Query

Churchill is rapped on the knuckles by the Times for his open question to the Government as to whether Russia has 200 divisions in non-Soviet Europe. Churchill made no attempt to soften the implications when he asked the question but put it with the authority of a man who was right before and might be right again. I have a feeling, although not more than a feeling, that Churchill had given warning to the Government that he had intended to raise the matter. I may be wrong in this, but certainly there was no consternation on the faces of either Bevin or Attlee.

The Times argues that Churchill should first have put the question privately to the Prime Minister, so that if the answer was in the negative, the matter would have been given no publicity. It is perhaps fortunate that at the weekly private meeting today of the Parliamentary Conservative Party, Eden has arranged to speak on domestic policy. Otherwise foreign affairs might have been discussed and Churchill criticized by some of the Tory reformers.

Altogether it is one of the oddest mix-ups in political history, with Bevin and Churchill forming a coalition, each opposed by a section of their own supporters. Things are going to be lively on the British political front.

* * *

Old Land Moving Toward 40-Hr. Week

The trade unions have been holding their annual conference at Brighton in subdued spirits but with wonderful weather. We shall have to have a new song written "Summer will be a little late this year" and dedicated to the British climate. It was rather sad to look on the empty sands of Brighton glistening in a hot, golden sun and recall how, in August, thousands of holiday-makers stood in the same place and caught everything from a cold in the head to pneumonia.

The TUC is not very happy. It is well aware that most of the workers want more money for fewer hours and smaller output. At least, that is the trend of things. To the credit of the union leaders they declared from the platform that the first requisite was more output. Undoubtedly Britain is moving toward a 40-hour week, and there are sober minds who believe that output would be larger with 40 hours at full pressure, than with 48 at something less. It did not prove so under Blum's Government in France before the war, but the British are a law unto themselves, and may demonstrate that the impossible can be accomplished.

* * *

The Oxford Group, under the leadership of Dr. Buchman, is getting ready for moral rearmament in Britain. We all know that our morals could be improved and our idealism increased but is Great Britain really the most urgent case on the Doctor's list? What about the Argentinos or the Bulgarians. We are really a pretty decent nation over here, not perfect by any means, but not too bad. Perhaps the Doctor could put in a useful week or two in Moscow.

* * *

The Group has taken the Westminster Theatre and is going to give a series of moral plays acted by amateurs from Canada and the U.S.A. I'll go along and see one of them and will let you know.

Incidentally Mr. and Mrs. Lund, who danced in the Canadian Navy show, got a good press for their first professional appearance in a new musical at the Prince of Wales Theatre. They are agreeably young and unjaded.

* * *

Toronto Long Shot In the Cambridgeshire

Before I leave these comments on Canadians I must report to you that the horse Toronto has been entered for the Cambridgeshire, the last big race of the season, which will be run next week. Toronto is 33 to 1 at the moment and I see that someone has been backing it at that price—perhaps Viscount Bennett or Sir Walter Peacock. I refuse to believe that it is the new Canadian High Commissioner. Something tells me Toronto won't win; but just in case I am wrong, I shall place the pound I owe to Floyd Chalmers on the animal.

* * *

Field Marshal Montgomery had a busy day on the anniversary of El Alamein. He went to the country in the afternoon and visited Stowe Public School (which is how private schools are described in England) and was given an immense cheer by the boys when he demanded a half holiday for them and then raised it to a full day.

In the evening he and Winston Churchill sat down to dinner at the Albert Hall with 6,000 "Desert Rats," most of them in civvies, some in hospital blue, and including a little group of bravely cheerful blinded men. Churchill was in irresistible form, as he was in the Commons during the foreign affairs debate, and seems to be recovering his vitality of 1940. Montgomery was given a great reception.

* * *

Life may be austere in these Islands, and no doubt we need Dr. Buchman's moral reform; but at least, things aren't dull. This sceptered isle is still the centre of the world, even if Moscow and Washington do not believe it.

Securities Rules Eased By F.E.C.B.

New rules have been issued by the Foreign Exchange Control Board which have the effect of broadening and simplifying the rules governing transactions in securities both by residents of Canada and nonresidents.

Permits will now be granted for the sale of a Canadian domestic security (i.e. one payable solely in Canadian dollars) in New York and the simultaneous investment of the proceeds in another security of the same type as well as in securities payable in U. S. dollars. Formerly a Canadian resident was not permitted to sell a Canadian domestic security in New York and buy in exchange another Canadian domestic security, although re-investment in securities payable in U. S. dollars was allowed.

Transactions must be effected through "appointed security dealer" approving the transaction and the value of the security sold must be equal to or greater than the cost of the securities purchased. Where security sold has a maturity or call date of less than three years, the security purchased must not have a longer term to maturity or earliest call date than that of the security sold. Securities purchased must be readily marketable.

Nonresidents will now be granted permits to sell a Canadian or U. S. security in Canada where the proceeds are being immediately re-invested in any Canadian dollar stock or bond maturing not earlier than within three years. Formerly nonresidents were not permitted to sell common or preferred stocks in Canada and invest the proceeds in Canadian government securities. This will permit nonresidents wishing to switch from stocks to bonds as a hedge against the further market drop to do so.

Dealers do not look for any large volume of business as a result of these changes.

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J. W. Horsey Merges 3 Canning Companies

A merger of the three U. S. canning companies which J. William Horsey has headed as Chairman of the Board into one firm, J. William Horsey Corp., is announced.

The three companies are the Apte Canning Sales Corp., Apte Tampa Co. and Apte Bartow Co. which operate five fruit and vegetable canning plants in Florida, Georgia and Delaware.

J. William Horsey, president of the new company, is now president of Dominion Stores Ltd. and of General Bakeries Ltd., and vice-president and director of Renown Flour Mills Ltd., and a director of Argus Corp. and Standard Equities Ltd.

Other directors of the new corporation are John A. McDougall, Toronto; L. N. Buzzell, Montreal; H. S. Baird, New York and W. G. Horsey, D. J. Apte and Cody Fowler, all of Tampa.

HOMER YELLOWKNIFE MINES has not received payment covering final installment exercisable by Oct. 18 on 100,000 shares at 35 cents. Agreement has been terminated.

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For the historically minded there is the century old Provincial Building in Charlottetown where Canadian Confederation was first achieved in 1864.

This year, the first post-war tourist year, has established how vital the Travel Industry is to Canada's economy. Official figures show more than 22,000,000 tourists circulated more than $233,000,000.00 in this country.

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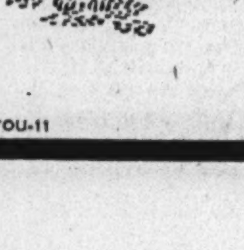

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INVESTMENTS

Noranda Mines

Please tell me how things are going at the Noranda Mines Horne Gold Mine and its copper-producing properties. What is the present earnings situation and what is the longer term prospect?

Noranda owns the Horne mine, which is a large copper operation with a substantial by-product gold production. In addition, the company controls Waite Amulet Mines, a fairly large producer of copper and zinc concentrates, and also controls half a dozen gold mines which contribute a fairly substantial income to the parent company under ordinary circumstances.

Ore reserves of the Horne mine total 21 million tons, sufficient for about 10 years of capacity operation. The company has been searching for ore at depth for some years and while it has had a certain amount of success, neither the volume nor grade of ore encountered has been comparable to that found on the upper levels. Income from gold mining operations continues rather restricted, due to difficulties encountered by the gold mines and the return of the Canadian dollar to parity.

Production from the Horne mine has had to be greatly curtailed due to a very severe labor shortage and earnings for the first half of 1946 were equal to only $1.46 against dividend requirements of $2 a share for this period. It is doubtful if there will be much if any improvement for the second half of 1946 since the company will be receiving less for gold production from the Horne mine and gold mining subsidiaries will also be affected by dollar parity.

While the immediate outlook for Noranda may not be so encouraging, longer term prospects are somewhat brighter. The labor shortage should be cured in due course. At present the company must sell a considerable part of its copper production in the domestic market at 11½ cents a pound but in time may be able to secure the full world price—17.5 cents a pound at present—for its entire output.

Some time may elapse before Noranda earnings return to a level of $4 a share per annum; but working capital amounted to $17.9 millions at the end of 1945—equivalent to over $8 a Noranda share—and the company can draw on accumulated earnings to continue dividends at the present rate if it so desires.

Glenora Gold Mines

Has Glenora Gold Mines been active in recent years? Does their property appear to have a chance?

Glenora Gold Mines completed six further drill holes the past year, but no values of economic importance were encountered and work was suspended. The company's president reports that deeper drilling may be justified, but no plans are reported for this. The company's balance sheet as at Jan. 31, 1946, showed current assets of $33,777, liabilities $3,129.

Consolidated Paper

Would you please give me information as to the present position of Consolidated Paper Corp. and as to whether the company ever defaulted on its bonds?

Consolidated Paper Corp. has not defaulted on its bonds, though its predecessor company, Canada Power & Paper Corp., did. In 1936, in order to preserve working capital, Consolidated Paper Corp. submitted a plan to bondholders to accept stock rather than cash, for interest payment. The plan was approved, and interest for the three-year period from July 2, 1936, to July 2, 1939, was settled by issue of fifteen common shares for each $1,000 principal amount of bonds. Annual interest due July 2, 1940, was paid in common stock on a basis of five shares for each $1,000 bonds; interest due July 2, 1941, was paid in cash at the full rate of 5½% and regular semi-annual cash payments have been made since.

In the company's recent prospectus it was shown that the financial position on a consolidated basis had improved considerably since Jan. 1, 1939. Here are a few of the significant financial details:

(1) Profits available for bond issues and depreciation in 1939 were $4.8 millions as compared with $10.6 millions in 1945, an increase of $5.86 millions. Profits for the six months ended June 30, 1946, amounted to $8 millions.

(2) Annual interest requirements on the new $35 million 3½% first mortgage bond issue will be $1,225,000 as against $2,271,741 paid for bond interest in 1946, a reduction of $1,046,741.

(3) Funded debt was reduced from $61.7 millions to $40.8 millions, a reduction of $10.9 millions.

(4) Net current assets increased from $4.8 millions as at Jan. 1, 1939, to $29.6 millions as at June 30, 1946, an increase of $24.8 millions. Approximately $5.9 millions of this figure will be required to take care of the refunding of $40.8 millions of 5½% bonds which was retired last month.

The price increase made on newsprint by the OPA last week will mean to Consolidated an increase in annual gross from its sales of newsprint amounting to nearly $6.5 millions on an annual basis. This represents the third price increase given to newsprint this year bringing the over-all increase to $17 per ton or 25.4% since Jan. 1, 1946.

Rye Futures

Is a speculator in rye futures responsible for any more than his 50c. a bushel margin requirements when the market has gone sharply against him and after he has informed his broker that he won't put up any more margin to hold the commitments?

You would be liable for the difference between the gross cost of the rye purchased for you and the net selling price. When you contract to purchase say 1,000 bushels of rye, you become liable for the total cost of the purchase. The broker cannot give you a guarantee that he can find a purchaser for your rye at any particular level. If he is unable to sell the rye at such a price that the loss on the sale would be less than the margin put up on the purchase, then the purchaser is liable for whatever extra loss is incurred.

The maximum liability under the most adverse conditions would be the total cost of the purchase. In this case it is assumed that no buyer could be found for the rye—a situation which is unlikely to arise.

ALAN SLAYTON

has been elected a director of Harold F. Stanfield Ltd., Advertising Agency, Montreal.

Hudson Bay Mines

Can you tell me what assets Hudson Bay Mines has, and the market, if any, for its shares?

Hudson Bay Mines owns 189,000 shares of Kirkland-Hudson Bay Gold Mines, 340 acres at Cobalt, Ont., 120 acres in Gowganda area, 40 acres at Larder Lake and 160 acres in the Kirkland Lake area. The company has an authorized capital of 700,000 shares, 676,085 outstanding. The company paid dividends totalling nearly $1 million from 1910 to 1913. With the higher price for silver, the company's ground in the Cobalt and Gowganda area takes on greater interest. The company's shares are around 15 cents bid.

Donalda Mines

Would you please tell me something about the present position of Donalda? How much ore is there? Is there any certainty about the amount of profit the company can realize at this point?

Donalda Mines is stated to have indicated as high as 800,000 tons of "ore" by diamond drilling in a flat-lying occurrence. With gold at $35 an ounce, the cut value per ton for 500,000 tons of this is $5.46. With the present trend of mining costs, it is difficult to tell how much money, if any, the company may be able to make on treating rock with this gold content, should the underground work now proceeding confirm the surface drilling indications.

The company's shaft is near its objective of 700 ft. and lateral exploration should start shortly. There are, of course, chances that better grade material will be found; it is noted that a vein cut in the shaft returned the cut value of $9.10 across an average width of 5.9 ft.

A proposal has been put forward to build a mill to treat ore from both the Donalda and Eldona properties, but of course both companies must establish what ore there is available to substantiate erection of such a plant. How such a plant might be financed has not been revealed.

INCOME TAX

Married Couple's Exemptions

What are the new income tax exemptions starting Jan. 1, 1947, for married couples where both husband and wife work?

Starting Jan. 1, 1947, the exemption of a married person is $1,500, that of a single person $750. Where both husband and wife have an income, the exemption of the husband is reduced by any income of his wife in excess of $250 and under $750. It makes no difference whether the wife's income is from salary or wages or from investments. Thus suppose the wife has an income of $600. This is $350 more than $250. Her income is not taxable because it is under $750, but the husband's exemption is cut from $1,500 by $350 to $1,150. If the wife's income were say $1,200, or $950 more than $250, she would be taxed as a single person because her income exceeds $750 and the husband's exemption would be reduced from $1,500 by $750, to $750 making him taxable as a single person.

FOREIGN TRADE ENQUIRIES

Herewith The Financial Post offers a further collection of enquiries in a service to Canadian business. The following are definite trade proposals and enquiries for Canadian goods from firms in foreign countries.

As an additional free service similar concise statements of trade proposals by Canadian firms producing industrial equipment for export will be published by Industrial Progress which circulates in more than 54 foreign countries. Please send your announcements to the same address.

The queries here listed come from foreign readers of The Financial Post, other Maclean-Hunter publications and particularly from Industrial Progress, the Maclean-Hunter publication of Canadian trade abroad.

Write The Foreign Trade Service Bureau, The Financial Post, 481 University Ave., Toronto 2, for full information on any bulletin below and please give the code number preceding the item.

(D139), INDIA—Importer, buying for resale on a commission basis, asks for catalogues and price lists from Canadian manufacturers of bathroom fixtures, engineering and textile machinery ,and stationery articles.

(U50), INDIA — Mill company seeks to contact Canadian firms in a position to export seasoned woods and bobbins for use in mill.

(G114), THAILAND — Importing firm seeks to purchase new and second-hand books and periodicals, all kinds of manufactured goods, and sundries such as stationery, novelties, gifts, toilet requisites, perfumery, soaps, etc., on its own account, terms cash against documents. Bank references given.

(CM218), INDIA—Source of supply sought in Canada for lathe machine. Details and prices requested.

(G111), AUSTRALIA — Agency company whose organization covers all states of the Commerwealth seeks appointment as direct factory representatives for manufacturers of cutlery, general household and builders' hardware and hand tools. Bank references given.

(B138), INDIA—Firm of importers asks for specifications and prices, if available for prompt shipment, on the following: Electrical goods, such as switches, motors, heaters, ovens, stoves and irons; chemicals, pharmaceuticals and dyes; radios and accessories; nonferrous metals and alloys; machine tools; toilet articles. Company states it is in a position to arrange for the export of available raw materials from India.

(G112), ARGENTINA — Contact sought with firms specializing in lengthening chassis of cars or with those engaged in producing long chassis such as for hearses and ambulances. Enquirer has several cars Cadillac 60 and seeks to obtain same type of chassis with a length of 73¼ in.

(U49), INDIA—Firm of general merchants, importers, exporters and ship owners, active before the war, seeks to resume trade with Canada. Is interested in purchasing various kinds of merchandise. Bank references given.

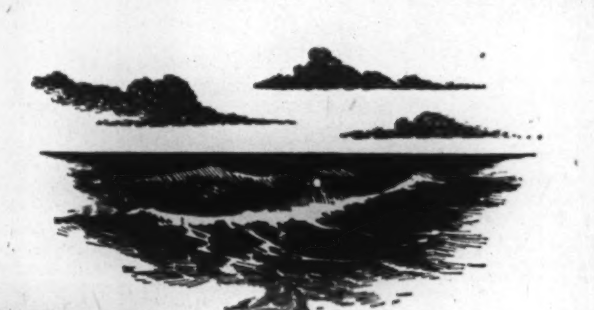
(CM215), ENGLAND—Engineering company seeks to purchase directly, as well as on a commission basis engineering tools, cars, concrete mixers. Catalogues and price lists are requested.

(G113), SOUTHERN RHODESIA—Firm dealing in electrical goods, seeks exclusive representation, as well as direct purchase of all kinds of electrical motors and equipment, both industrial and for domestic or household use. Partner travelling in Canada now seeks to make contact with Canadian firms for delivery when goods available. Amongst other items, this company desires to purchase 6,000 electric ranges as soon as possible.

(CM217), AUSTRALIA — Municipal council in charge of electric lighting, sewerage, water supply, roads, and garbage treatment, seeks information and prices "on rail Sydney" for crushing plant for metal, using electric power.

(CM216), CHILE—Firm of shipowners, outfitters and industrialists, contemplating renovation of their workshops, seeks information on general industrial equipment and machinery and tools for the construction of centrifugal castings, pressure castings, and injection moldings and their accessories.

(The above enquiries are published for the information of interested Canadian manufacturers. Publication does not imply endorsation of credit.)



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Because the Star Weekly blankets this rich buying audience, Star Weekly advertisers of all types of products and services point with pride to thriving businesses built to a great extent upon Star Weekly advertising. We would be happy to show you, in your own office, convincing proof of the fine selling job the Star Weekly has done, and is doing, in all fields of merchandising across Canada.

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The STAR WEEKLY 900,000 EVERY WEEK

"Advance... King George's Keys!"

The Tower of London

Through the darkness of the great arch of the Bloody Tower, in the dim light of an old candle-lantern, comes a figure clad in a long scarlet tunic, carrying a bunch of keys. It is the head warder of the Tower of London, escorted by a sergeant and four men.

"Halt, who comes there?" cries the guard.
"The keys!" the warder answers.
"Whose keys?"
"King George's Keys!"
"Advance King George's Keys—all's well!"

The warder and his escort advance to the guard-room. The guard, in scarlet tunics and high bearskins present arms.

Thus do the bearers of "The King's Keys", with mediaeval ceremony, still make their rounds every night in the Tower of London, locking up the ponderous gates, and finally depositing the keys safely for the night with the Governor of the Tower.

Old England, steeped in the storied past, with its castles and cathedrals, its old inns and quaint cottages, its age-old traditions and fine hospitality, is still substantially the England of pre-war days. Perhaps, before long, you'll be able to journey Overseas and explore old England in person.

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IF you had a fire or other disaster, would your present insurance be adequate? It is doubtful—because today your home, your furniture, your clothing—everything—costs far far more than it did when you bought it.

It is probable that the insurable value of your property—buildings, fixtures, equipment, machinery, tools and stock—is far more today than the amount of insurance which you carry.

Why not let your Agent or Broker look over your fire insurance policies and estimate present-day insurable values of your possessions. Then when you know exactly where you stand, ask him to get you a proposal from the "North America" Companies that will cover you completely for losses by fire or other disasters. And do it soon, because in recent cases, insurance carried has been inadequate.

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Annual Reports of Chartered Banks May Show Increased Net Earnings

Net earnings of the Canadian chartered banks in 1946 are expected to be at least as good as in 1945, probably a little better, The Financial Post is informed.

Up until a few years ago, the Imperial Bank was the only one closing its year Oct. 31. Now the Dominion, Nova Scotia, Commerce and Montreal do likewise.

Reports will not be issued for a while yet.

They usually come fairly close together, but the Imperial statement still comes first. Its report last year appeared Nov. 23. Barclays Bank closed its year Sept. 30, but it does not issue an earnings statement.

Features of the forthcoming reports are expected to be higher gross earnings, increased expenses, larger deposits and assets with both loans and investments above the 1945 levels.

Figures in the last annual monthly return of the banks to the Minister of Finance as at Aug. 31, compare as follows:

Assets and Deposits
Aug. 31, in millions of $

	1946	1945
Total assets	7,342	6,580
Loans in Canada	1,347	1,133
Investments	4,336	3,835
Total pub. deposits, Canada	5,613	4,859
Demand deposits	2,148	2,026
Savings deposits	3,465	2,833

Three Income Sources

The banks' income, as usual, comes from three main sources, interest on loans; interest, dividends and trading profits on securities; and service charges (including charges for cashing cheques, making collections, foreign exchange commissions, etc.).

Traditionally, interest on loans is the biggest item in bank earnings. But for some years past, income from investments has been an increasingly large proportion of the total and in 1944 and 1945 have taken first place. A breakdown of bank earnings by the Finance Department shows the percentage of bank earnings from the three main sources for the last three years as follows:

	Percentage of Total Earnings		
	1945	1944	1943
Loan interest	35	37	41
Securities	41	39	35
Services, exch., etc.	24	24	24

The trend of declining earnings from loan interest with investment income increasing, started during the war years. Borrowing by private industry declined while the banks lacking a normal outlet for their funds, placed a larger proportion of them in Government bonds.

Loan Trend Up Again

During the year just closed, loans increased substantially during the ninth Victory loan campaign. But as these loans were paid off by the borrowers, current loans up until April tended lower. From May forward, however, the trend has been upward due, bankers say, to increased demands from business for bank credit.

The rate of return on investments has been tending downward, with a larger proportion of the banks' funds being placed in short-term issues. Last spring the banks agreed to restrict investments in long-term issues to an amount equal to 90% of their total individual savings deposits, which has affected their over-all rate on investments. Despite this, however, they have been able to maintain their gross investment earnings because, with their larger assets, the total funds invested have been larger. Commercial loan interest rates remain around 4½%.

Earnings from bank services remain about the same proportion as in previous years or a little lower. Expenses have been considerably heavier. While operating expenses generally have tended upward, the two big items in increased expenses have been the larger savings deposits (on which interest of 1½% is paid on individual accounts, one half of one per cent on corporation accounts) and the hundreds of bank personnel returned from war service. These have all been taken back on the staff except those who went to college under the rehabilitation scheme or sought other jobs. As they had been guaranteed their regular increases which they would have got had they remained with the bank, the increases in expenses have been heavy, especially as the banks generally retained the women taken on during the war.

Generally the banks are looking farward to increased loaning business and in some quarters, it is expected that loans may return to their forward to increased loaning busiyear dividends have been increased by eight banks.

See New CNR Building Big Magnet in Montreal

MONTREAL (Staff)—Canadians may have heard a loud cheer from crowded Montreal recently when Transport Minister Lionel Chevrier announced that a modern office building and hotel will be erected on the site of CNR's Central Station here. It is thought likely that the new building is the follow-up to Reconstruction Minister Howe's promise to PICAO members earlier this year, that the Government would provide some type of accommodation for that organization.

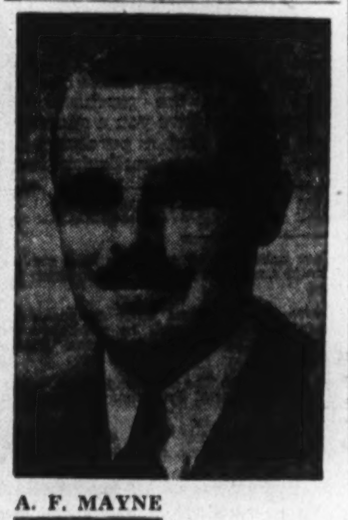
Final decision to go ahead with the building was probably prompted by two factors: (1) A new building is required to bring CNR offices, now scattered throughout the city, under one roof. (2) To keep international bodies such as PICAO, IATA, ILO in Canada and to attract others to Canada, some suitable meeting place was required.

It is stated that at the time Central Station was built, plans visualized a 25-story office and hotel building. This project was never started, but the foundation under the station is said capable of holding a much bigger building than now exists. There is also plenty of land available for any new building; the entire Central Station site occupies an area greater than Rockefeller Centre in New York.

Big question now is how soon materials will be made available for the tower. It is understood that Windsor Hotel, which has announced that it has plans ready for a 25-story tower over the present hotel, is biding its time because of the material shortage. Pressure will likely be put on the Government from two sources—(1) those who contend the building should go up to provide the necessary accommodation for international organizations; (2) those who think first priority for scarce materials should go to house builders.

No estimate of the cost of the proposed building has yet been announced. Informed sources tell The Financial Post, however, that estimates for similar structures have run from $4 to $5 millions. This is by no means a definite figure, since building costs are constantly rising. Prior to the war building estimates on a 25-story building ran around $2 millions.

Montreal's Civic Centre boosters are likely to approach the Government with a proposal, now that plans have been announced. It is believed the city will explore the possibilities of incorporating some part of the civic centre in the new building. A concert hall is said to be one item in which the city is particularly interested.



A. F. MAYNE

has been appointed a General Inspector of the Royal Bank of Canada.

Housing Enterprises Gets Good Results From Salvage

The 1946 program of Housing Enterprises of Canada Ltd. comprises construction of 3,400 housing units which it is hoped will be completed by June, 1947, Robert H. Reid told the annual meeting of the American Life Convention (financial section) in Chicago.

Mr. Reid is president of Housing Enterprises of Canada and managing director of the London Life Insurance Co. of London, Ont. The 3,400 units, he explained, include 33 individual projects ranging in size from 50 to nearly 400 units each, each unit to provide housing accommodation for one family, and to be administered on a rental basis.

Salvage Operations

Entrance of Housing Enterprises of Canada Ltd., recently, into the salvage field, (to salvage building materials from surplus camps of the armed forces), was described by Mr. Reid as very successful. It has been possible as various service camps have been declared surplus, to obtain very good seasoned lumber, and many other scarce items such as lumex cable, galvanized pipe, cast-iron pipe, wall board and hardwood flooring at low cost, he declared.

Outlining the difficulties of building under present conditions, Mr. Reid stated that it had been hoped originally that two or three projects might be started in the fall of 1945. But, he declared, it took many months of negotiation to finalize the enormous number of details and the necessary agreements with government authorities.

Later it became apparent that suitable land for large scale developments was relatively scarce and the situation in both materials and labor was "appallingly bad," he declared. Although an original goal of 10,000 units was set, 3,400 units will comprise the 1946 program. In addition the plan for 1947, now subject to government approval, will call for about 4,500 units, he added.

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Quebec Banking Law Invalid Is Ruling of Privy Council

In a judgment of the British Privy Council, the 1939 Quebec statute relating to ownership of bank deposits unclaimed after 30 years was found ultra vires. The judgment expressed the view that the Legislature had entered the field of banking, a federal responsibility under the British North American Act.

The legislation in question, "an act respecting certain vacant property without an owner" claimed for the Government, unclaimed bank deposits in that province. Most such deposits are small; but at the end of 1945 they totalled $4,158,000 for all Canada except Quebec and Manitoba.

It is believed that in 1939 Quebec's share would have been about $1 million. In 1940 the province took action against the Bank of Montreal, contending that it was a "credit" institution and that deposits held by the bank more than 30 years were "vacant property, and without an owner." Before 1939 the banks held these deposits until they could be successfully claimed, which it is alleged in the majority of cases, might never occur.

"If the true subject matter of the Quebec statute is 'banking' it is ultra vires of the provincial legislature," the Privy Council ruled. "If its provisions conflict with the Federal Act, the latter must prevail. The answer therefore to either question in favor of the Dominion is sufficient to invalidate its provisions."

The province enters into the banking field when it interferes with the right of depositors to receive payment of their deposits as, in their view, it would if it confiscated loans made by the bank to its customers, the judgment continued. "Both are, in a sense, matters of property and civil rights; but in essence, they are included within the category of banking."

In 1944, amendments to the Bank Act provided that all deposits unclaimed after five years, should be reported as previously in a parliamentary return; but all unclaimed after 10 years should be turned over to the Bank of Canada; which, however, must pay the deposits if successfully claimed, no matter how much later.

Manitoba had also claimed unclaimed deposits.

Keeping Your Fingers Crossed

The benefit from this exercise is rather nebulous and is disastrous if used as sole protection against Fire and other losses.

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Life Insurance Sales Rise 50%

Total For First Nine Months of 1946 Exceeds Total For 1945

Life insurance sales in Canada and Newfoundland in the first nine months of 1946 totalled $872.5 millions about 50.6% more than in the same period of 1945, and 3% more than the $839 million total for the whole of 1945.

Apart from other factors operative for some time, the number of insurance salesmen in the field is helping to increase business.

September sales at $90.7 millions were 39.5% higher than in September, 1945.

The figures released by the Canadian Life Insurance Officers Association are for ordinary insurance just brought into force, exclusive of dividend additions, reinsurance, acquired annuities and group business.

Life Insurance Sales in Canada and Newfoundland
(000 of $)
Sales in September

	1946	1945
British Columbia	7,541	4,351
Alberta	5,371	3,683
Saskatchewan	3,712	3,381
Manitoba	4,934	4,062
Ontario	37,178	24,865
Quebec	23,967	18,558
New Brunswick	2,751	1,952
Nova Scotia	3,883	2,693
Prince Edward Island	552	705
Newfoundland	773	740
Total for Canada and Newfoundland	90,682	64,992

Sales by Months
(000 of $)

	1946	1945
Jan.	82,572	58,727
Feb.	88,225	59,742
Mar.	102,748	66,195
Apr.	104,949	70,492
May	105,535	62,871
June	104,830	66,840
July	106,880	69,348
Aug.	86,050	60,194
Sept.	90,682	64,992
Oct.	......	85,533
Nov.	......	91,979
Dec.	......	82,045
		839,003

BANK OF CANADA

	Oct. 23 1946 $	Oct. 16 1946 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	1,155,114,452	1,156,546,857
Rest fund	10,050,367	10,050,367
Deposits: Dom.	36,544,446	56,146,596
Chart. banks	541,788,372	506,992,772
Other	76,241,910	78,123,822
Total deposits	654,574,728	641,263,192
Liabs. pay. in sterling, U.S.A. and for'n gold currencies	943,111	943,111
All other liabs.	23,756,531	26,447,379
Total liabs.	1,849,439,189	1,840,250,906
Assets		
Sterling & for'n exchange	943,111	943,111
Subsid coin	468,609	462,252
Investments:		
Dom. govt. sh.	1,289,825,201	1,269,193,283
Oth. Dom. gov.	517,912,452	521,722,698
Other secs.	15,000,000	15,000,000
Total invest.	1,822,737,653	1,805,915,981
Premises	2,566,913	2,566,742
All other assets	22,722,903	30,362,820
Total assets	1,849,439,189	1,840,250,906

Group Insurance In Action

Social security through Group Insurance has a two-fold effect wherever it is adopted. It relieves employees of anxiety for the future and builds goodwill for the firm.

The London Life offers to employers the following broad coverage for the benefit of employees and their families:

Group Life Insurance—provides funds for dependents on the death of employees.

Weekly Indemnity—compensates for loss of earnings from either illness or accident.

Hospital and Surgical Insurance—furnishes funds to meet hospital and surgical expenses.

Dependents Benefits—extend hospital and surgical benefits to employees' families.

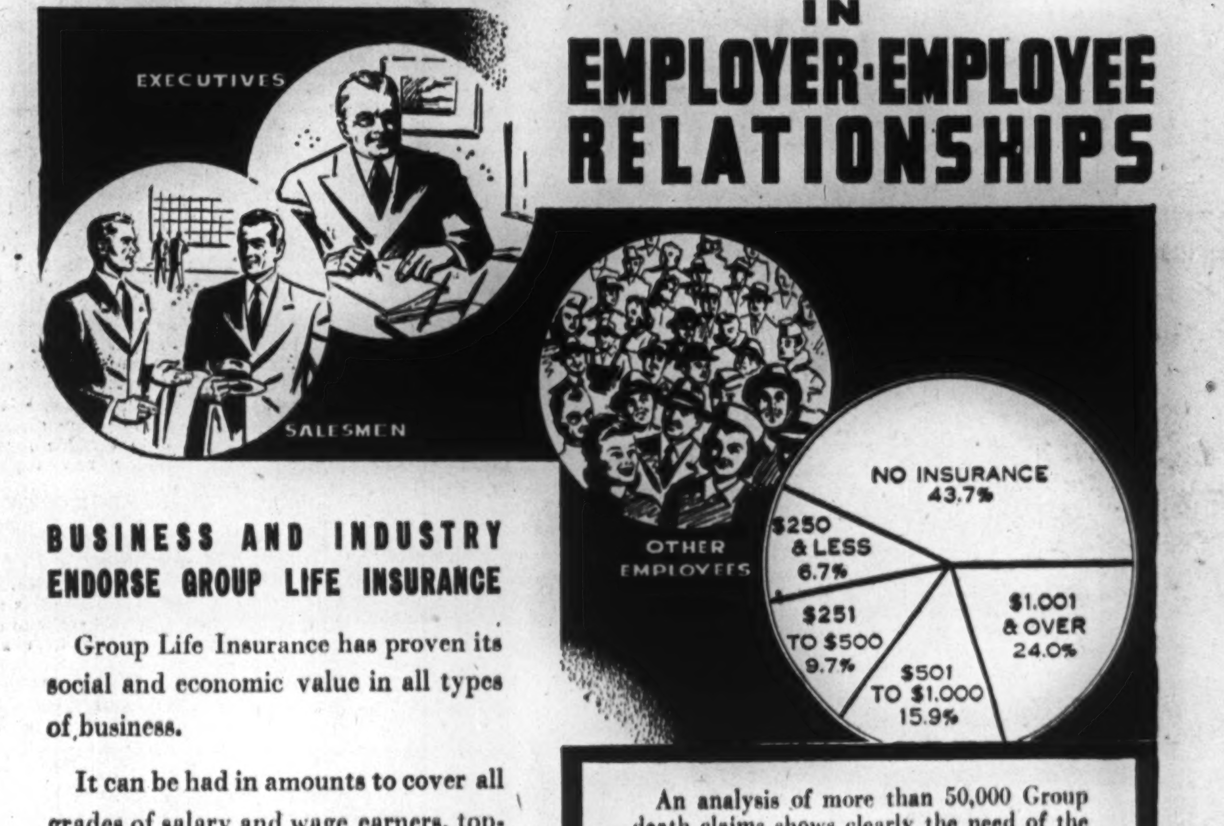
Accidental Death and Dismemberment—covers loss of life, limbs or sight caused by accident.

Group Pensions—provide life incomes on retirement.

Have one of our representatives show you how this program can be adapted to your particular needs.

London Life
Insurance Company
Head Office - London, Canada

GROUP LIFE INSURANCE IN EMPLOYER-EMPLOYEE RELATIONSHIPS



BUSINESS AND INDUSTRY ENDORSE GROUP LIFE INSURANCE

Group Life Insurance has proven its social and economic value in all types of business.

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An analysis of more than 50,000 Group death claims shows clearly the need of the average employee for the low cost protection offered by Group Life Insurance, because the average employee carries less than $500 of Life Insurance protection.

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ATLANTIC CITY, N.J.
Snow on the famous Boardwalk is as rare as snow in June. Come down, and let the salt-laden breezes mingle with the pungent smell of wood-smoke at these cozy beach-front hotels . . . a delightful place to while away a week or a weekend.
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How They Sell Abroad

Air-Borne Cattle Pay Off

Rich South American Market Opened by Hays' Holsteins

Calgary-born Harry Hays will export $2 millions worth of Canadian cattle this year — most of them to South America, may of them in de luxe airliners. His unique export business began only three years ago and is already the biggest of its kind in Canada if not the British Empire. Hays' cattle are not just ordinary dairy animals—they're Canada's bovine aristocracy and already they are in demand wherever cattlemen are trying to improve their breeding stock.

BY GORDON L. SMITH

Most people associate Toronto's lower Bay Street with finance. It's probably true that in this area there are more salesmen of stock and bonds than in most parts of Canada but there's at least one firm that sells something else. That is Hays Ltd. and the main line handled is top quality Holstein cattle for export.

Head office of the firm is in Calgary but most of the business goes through Toronto, and unless he is on a sales jaunt abroad, that's where you'll find Calgary-born Harry Hays, the 36-year-old president. Confident, quick thinking and fast talking, Hays feels right at home on Bay Street and, but for his deep tan and cattlemen's hat, looks as if he had always lived there.

You won't see any sleek, black and white cows or bulls on display in Hay's Toronto office. As a matter of fact there aren't any show windows and there have been no cows or real bulls around Bay Street for perhaps a century. All you will find will be a small office staff recruited from Canada and the four or five Latin American countries with which Hays does most of its business.

High Class Cattle

But there are real cattle behind this business, thousands of them. About 250 a year come from the Hays farms in Alberta and the newly acquired eastern holding a few miles north of Brampton, Ontario. Several hundred more come from high class Holstein breeders all over Canada, either being exported on a commission basis or bought outright and resold. Altogether about $2 millions worth of cattle will be exported this year which is not bad for a business just three years old and already the biggest of its kind in Canada if not in the British Empire.

While the main Hays line is, and will probably remain, Holstein cattle, other products are also handled. On one of the Alberta farms white faced Hereford beef cattle are raised and if the company is offered a mixed order from Mexico or South America for other livestock, including sheep or even goats, it won't be turned down. Someone in the organization will know where such animals can be located and they will be rounded up and shipped. And through subsidiary and associated companies there is being developed an export and import business in what might be termed more or less allied lines.

When Hays officials started making regular trips to Latin America, buyers asked them about stable and other farm equipment. Then there was the problem of return loads for the chartered planes Hays used to export some of their livestock south. So through two other companies, Amica and Intermundial Ltd., Ltd., this supplementary business is handled.

How it Started

Hays Ltd. really had its beginning 42 years ago. Back in 1904, Dr. T. E. Hays, house surgeon at the St. Louis Hospital, like a lot of other Americans, came to western Canada to make his fortune. He got into the real estate business. The crash in 1912 left him with a lot of unsold farm land on his hands so he started a big dairy farm with a herd of Holsteins. His three boys, Harry, Tom and Jack, liked the life and liked dairy cattle. Three years ago Harry formed Hays Ltd., took in his two brothers, and took over the old Hays & Co., founded by his father.

Harry Hays was more interested in the breeding end of the dairy business than the commercial field. His cattle had won a lot of prizes at the big shows and still do. But in addition to looks, the Hays cattle were noted for heavy production of milk and high cream content. In continuous record of performance tests, conducted under rigid and neutral supervision, several of his cows have chalked up world records.

Farm dairy men regard their industry as a three-way proposition. There are three levels of dairy cattle and each is complementary to the other. The big commercial herds, usually well bred, but not necessarily registered, are the mainstay. From them comes the bulk of the milk that goes into bottles and tins, into cheese, butter and ice cream.

Bovine Aristocracy

Back of these are the purebreds, which furnish commercial herds with sires and the bulk of their better stock. And back of this again are the super-pedigreed foundation stock, the aristocrats, the prize bulls, heifers and cows that are internationally known and are worth anywhere from $1,000 to $50,000 apiece or more. These are the ones you read about in the papers, the animals that win grand championships, that attract buyers from all over the world, that go de luxe to the United States, Britain and Latin America.

Harry Hays decided that this was the business in which his new company would specialize. He knew there was keen competition from the United States, Britain, Holland and even Germany, but he was confident that he could meet it. He had experience. His own show herd and record of sales in Canada was proof of that. In the Holstein, too, he was dealing with a product in which Canada is internationally recognized as a leader. "Top Canadian Holsteins are the best in the world," he says, "and the world knows it." And he believed there was plenty of volume as Canada has an annual exportable surplus of nearly 20,000 head.

So he formed his cattle company in 1943, and last year expanded into Ontario which is the centre of Holstein breeding in the Dominion.

Before the Hays entered the picture the big bulk of the pedigree cattle exporting from Canada was handled by American importers, or via American auctions. Most Canadian Holstein breeders are relatively small with no facilities to operate an export business on their own. It was Hays Ltd. that collected and arranged the recent half a million dollar shipment of Holsteins to England for individual Canadian breeders.

A Mutual Team

The three Hays brothers, all in their early thirties, form a natural team. Jack runs the farms — the firm operates about 2,500 acres and maintains a herd of 400 to 500 cattle—and looks after the shipping and showing. Tom does the selling and Harry, the president of Hays Ltd., rounds up the buyers and does most of the travelling. That travelling has taken him over a good deal of the world in the last five years and especially through Cuba, Mexico and South America where the bulk of the Hays business is concentrated.

"The only way to sell foreign cattlemen," he says, "is to get acquainted with them in their own country. They don't do business like our people and they don't want to. You have to become friends with them, entertain them, look after them when they come up here and be familiar with their to us unusual and complicated ways of doing business. Above all, you have to be prepared to spend money, and big money, if you ever hope to make any."

The Hays brothers have spent a lot of money in developing this new market for Canadian livestock in Latin America, and they have sold a lot of cattle. They are confident they can continue to do so provided exchange and other trade difficulties can be ironed out. They are confident that Canada can meet any renewed competition from Holland and Germany, chief Holstein cattle exporters to the Latin Americas before the war. And they cite two very sound reasons why this market should be permanent and growing. Permanent, because in most parts of warm Latin America cattle deteriorate and fresh blood must be continually imported to keep up vigor and production. Growing, because the big cities down there are just beginning to appreciate the value of milk, are about where Canadian cities were 50 years ago. And to get this milk, Latin America must have commercial dairy herds with purebred foundation stock to back them.

Modern Salesmen

Showmen and salesmen, the Hays brothers are credited with opening Latin America to Canadian purebred dairy cattle, and they have done this in modern style. Not once but scores of times they have used airplanes for transport. And while the advertising value of such shipments was not forgotten, this was not a stunt, but sound business. Remember that these are no ordinary cattle Hays export, but super quality merchandise, worth ten to a hundred times the value of commercial produce. Eight of these animals, the load for the ordinary air freighter, though twice that number will be carried in the bigger DC4's soon available, would be worth at least $20,000. Remember too, that this is perishable freight and a good exporter wants it to land in the same high-class condition it leaves the field at Malton.

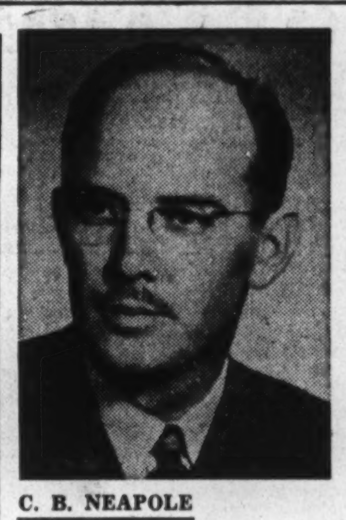
By air it costs about $200 a head to land these cattle in Cuba and not a great deal more to put them, after one stop for watering and feeding at Kingston, Jamaica, into the northern part of South America. Leaving Malton in the morning they are in their new stables in Cuba that night and farther south not more than 24 hours later. Shipped by rail and water and through the various quarantines, the animals would be en route anywhere up to 30 days, and there would be heavy expense for attendants and feed. Actual cost by the slower shipment, plus the expense of bringing the attendants back, would be little less than the direct and swift shipment by air, and the animals arrive in infinitely better shape. They are not exposed to heat, disease or insects. If they are going to high country around Mexico City or some of the upper plateaus farther south, they never run into tropical heat at all.

By air the cattle go without attendants and no feed except for a little hay. They are firmly strapped into the cargo hold of the DC3 and stay there until they reach their destination in Cuba or Mexico, or if going farther, removed once only for feeding and watering in Jamaica.

These air shipments stemmed from a chance meeting of Harry Hays with Terry Goodwin, RAF, RCAF and American air force veteran of World War II. A couple of years ago Goodwin, just back from operations in Europe, told Hays he hoped to start an air freight line between the U.S. and Latin America. Hays promised him some pay load when he did. This year as sales manager of Winged Cargo Inc., Philadelphia, Goodwin looked up his old friend and the freighting deal was on.

Because it charters the whole plane, Hays Ltd. is naturally interested in drumming up some return freight to cut down overhead and especially so in the future when costs of competitive transport may drop. This is where Amica Company comes in. Sugar, coffee, fruit and such commodities offer possibilities, but price ceilings in Canada have confined this return freight business to small proportions. Highly perishable fruit of a kind not seen in Canada and rare flowers like orchids, which can be bought for a few cents each in South America, would be a better bet, Harry Hays thinks, but again there are difficulties in the way of tariffs and quarantines.

There are similar troubles, plus exchange, too, with the export of supplementary lines, handled through Amica Ltd. & Intermundial (Canada) Ltd. With the livestock, usually the Latin American Government puts through a special appropriation, but any manufactured products Hays wants to export must go as regular trade. However, both the import and special export business is growing and Harry Hays has hopes. The big field in export, aside from the mainstay cattle, he believes will be to act as export agents for small Canadian companies which are not big enough to afford the special facilities necessary and which Hays Ltd. has already developed.



C. B. NEAPOLE

has been appointed a General Inspector of the Royal Bank of Canada.

Wool, Knit Goods Production Jumps

Canadian woollen and knit goods industries have turned out 43% more woollen cloth, 25% more hosiery of all types, and 30% more underwear in the first nine months of this year than in an average pre-war year (1935-38), H. G. Watson, retiring President of the Canadian Woollen & Knit Goods Manufacturers Association, stated recently.

"At the rate we are producing, it will not be long before essential needs are met and the industry will turn to producing the diversity of products Canadians require," Mr. Watson said.

The industries now have facilities to produce more wool cloth, hosiery and knitted garments than the country consumed from all sources in pre-war years, it was stated. At the moment, however, some 3,000 more workers are needed to further increase and diversify production.

The woollen and knit goods industries employ over 37,000 people in 154 municipalities. Four out of every ten plants in the industry are located in centres with a population of less than 10,000 people. The spread between textile wage rates between Great Britain and Canada, is $1 in Great Britain to $1.70 in Canada.

PEN-REY GOLD MINES Oct. 14 installment on 150,000 shares at 12½ cents has been extended for two months and a similar extension granted on Nov. 14 installment.

GIANT YELLOWKNIFE GOLD MINES advises that under offering of "D" rights, which expired Oct. 15, total of 104,201 shares were taken up at $5 a share. Issued capital—3,884,095 shares.

FROBISHER EXPLORATION CO. advises that under offering of rights to shareholders, which expired Oct. 11, a total of 235,936 shares were subscribed for at $3. Balance of 264,064 shares has been underwritten by Toronto Mines Finance, payable 50% by Nov. 12 and 50% by Feb 12, 1947.

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CANADA CONTINENTAL LINE LTD.
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Branch offices
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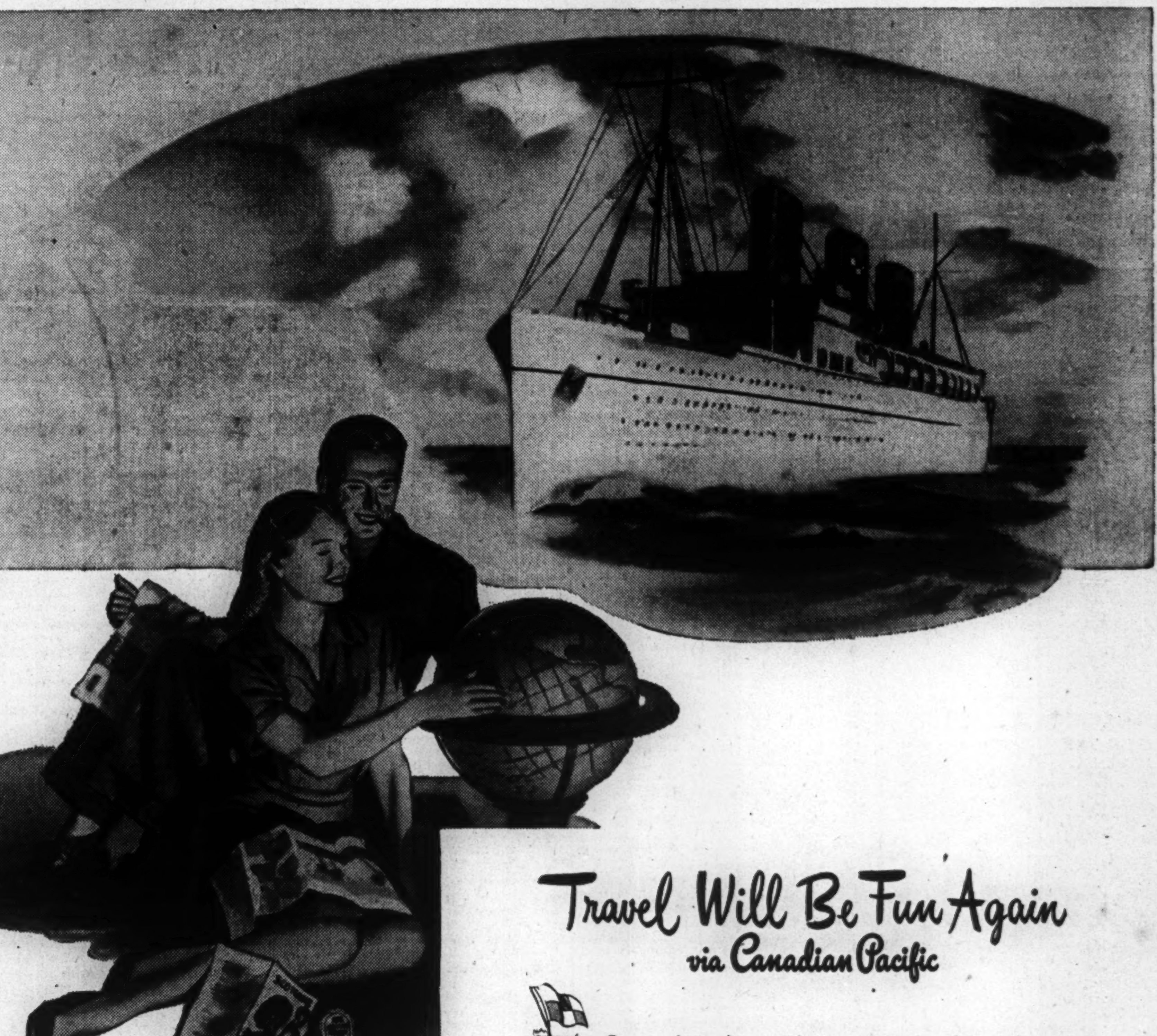
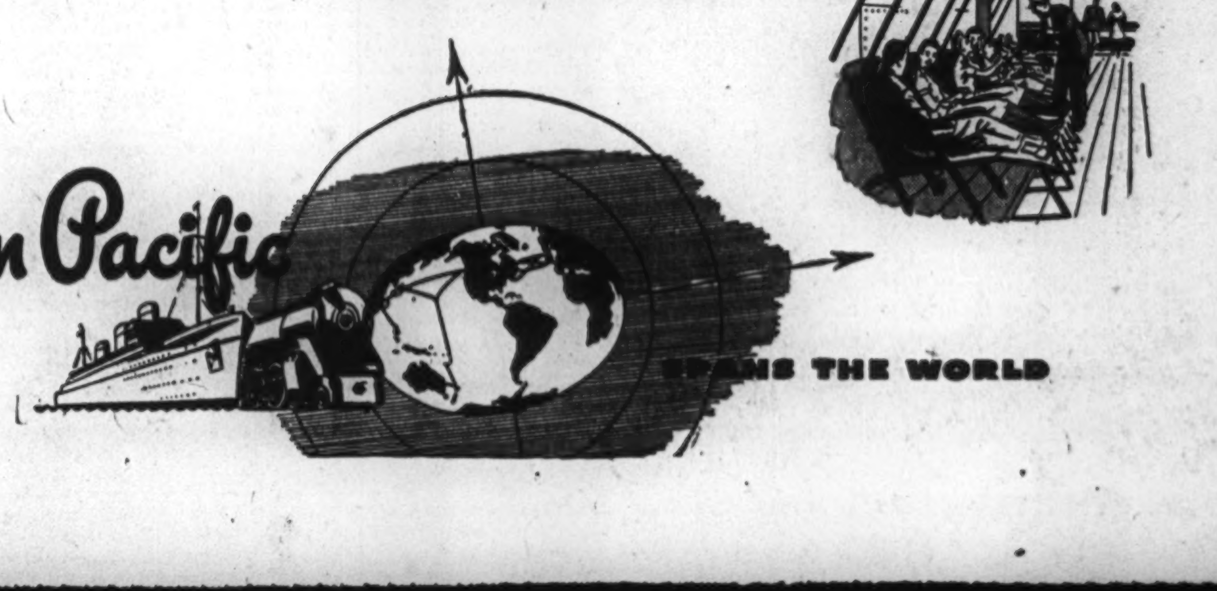
Consult your freight forwarder or the above offices for sailings and rates.



Travel Will Be Fun Again
via Canadian Pacific
Remember how pleasant it used to be to travel on Canadian Pacific ships! Remember the cuisine, the courteous service, the fun of shipboard life . . . and the ships themselves!
Just now there's a big job to do repairing the wear and tear of wartime years—replacing lost ships . . . but, when it's done, travel will be fun again—the Canadian Pacific way!
Soon a new, two ocean fleet will plow the sea routes of the world . . . and once again it will be possible to go from Shanghai to Southampton —Canadian Pacific all the way!



Canadian Pacific
SPANS THE WORLD

THE WEEK'S QUOTATIONS

Montreal and Toronto Winnipeg, Calgary and Vancouver

Quotations here listed are the official stock exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING OCTOBER 25

Range 1946 High	Low	Div R'te $	Oct25 Y'ld %		Sales	Last Oct. 18	Week end. Oct. 25 H	L	Cl'se
22½	14			Abitibi n.	8826	17½	18½	17½	17½
21½	15			Do. $1.50 pf n	12501	18	19	17½	19
40½	34½			Do. $2.50 pf n	175	37½	37½	37	37½
24	18½	1.00	4.9	Acadia Atlan A	515	20½	21	20½	20½
107	103	5.00	4.8	Do. 5% pref.	120	106½	105	105	105
12	8½			Acme Glove	25	8½	8½	8½	8½
41½	38	1.80	5.0	Agnew Surp.	125	35	36	35	36
26	16			Algoma Steel	141	18½	17	17	17
27½	26	1.00	3.8	Alum of Can p	243	26½	27	26½	27
230	129½	*1	4.6	Aluminum	1031	174	176½	173	176
109½	105½	*6.00	5.5	Do. pref.	20	108½	108½	108½	108½
23	15	*.50		Andian Nat.	25	15	15	15	15
32	51½			Ang Can Tel p	100	51½	52	52	52
12	6½			Argus	925	7½	7½	7	7½
105	93	4.50	4.8	Do. 4½% pref	50	95	94	93	93

Range 1946 High	Low	Div R'te $	Oct25 Y'ld %		Sales	Last Oct. 18	Week end. Oct. 25 H	L	Cl'se
111	106	5.50	5.0	Do. 5½%	135	110	110½	110½	110½
7½	3½			Gen. Bakeries	725	4	4½	3½	4
21½	9			Gen Products A	50	18	18	18	18
20½	15½	.80	4.7	Gen. St. Wares	55	16½	17	16½	17
109½	104	5.00	4.8	Do. pref.	35	105	105	104½	105
40	24	*.75		Godfrey	7	39	39	39	36
12½	10½	.50	4.4	Gord McKay A	260	11½	11½	11½	11½
25½	15½	.50	2.3	Do. (B)	150	21½	21½	21½	21½
125	99½	*2.00		Goodyear Tires	30	108	112	108	110
57	52½	4.00	7.3	Do. pref.	220	55½	55½	55	55
22	20	*.25		Grafton, A.	220	20½	20½	20	20½
35	15	1.50	5.9	Gt. Lakes Pap.	2572	24	26	24	25½
70	42	*.75		Do. A & B	595	56	59	56	59
120	116	5.00	4.3	Guaranty Trust	12	120	116	116	116
18½	12½			Gypsum, Lime.	480	14	15½	14½	14½

Range 1946 High	Low	Div R'te $	Oct25 Y'ld %		Sales	Last Oct. 18	Week end. Oct. 25 H	L	Cl'se
30	22	*.50		Westeel	65	24	22½	22	22½
36½	24	.80	3.1	Weston, George	900	25½	26	25	26
108½	104½	4.50	4.3	Do. 4½% pref	10	107	108	106	106
7½	2½			Willson Stat.	13	7½	7½	7½	7½
102	101	5.00	5.0	Do. pref.	5	100½	101	101	101
27	22	1.00	4.6	Wilsils	145	22	22½	22	22
13½	11			Windsor Hotel	3	13½	13½	13½	13½
21½	10	*.50		Winnipeg El. A	1073	12½	13	12½	13
105	94½	5.00	5.0	Do. pref.	30	99	100	99½	100
56	30½	2.00	3.8	Woods Mfg.	50	51	53	52	53
29	24	1+.50x	4.2	Wool Combing	50	24	24	24	24
19	14	.40	2.7	York Knitting	350	15	15	15	15
45	34	1.00	2.8	Zellers	620	37	38	36	38
29½	27	1.50	5.4	6% pref.	30	28	28	27½	28

Mining Stocks

Oil Stocks

Range 1946 High	Low	Div. Rate	Oct. 25 Yield %	Company	Sales	Last Oct. 18	Week Ending Oct. 25 High	Low	Close
.90	.35			Okalta	1,000	.35	.38	.36	.36
.18	.05			Pacalta	3,100	.07½	.08½	.07½	.07½
1.65	.65	‡.10		Pac. Pete.	2,600	.72	.70	.65	.70
1.57	.40			Roxana	16,150	.64	.62	.40	.42
25.50	14.00	1.00	6.3	Royalite	360	15.25	16.00	15.25	16.00
1.45	1.10			Texas Can.	400	1.30	1.35	1.35	1.35
.14½	.06			United Oils	4,200	.07	.07	.06½	.07
.16½	.09			Vanalta	3,500	.13	.13	.12½	.12½
.40	.16			Vulcan	1,700	.18	.18	.18	.18

† Paid in 1944. * N. Y. Funds. † Paid in 1945. x Extra. ■ Sub. appl. F. E. C. B. ‡ Paid or payable in 1946. ‡ Capital Repayment. o Payable in 1947.

Volume of Stock Sales

	Montreal	Toronto	Vancouver	New York
Oct. 28	165,000	1,515,000	55,566	1,300,000
Oct 26	......	....	....	360,000
Oct. 25	99,800	746,000	46,229	1,130,000
Oct. 24	108,500	743,008	48,480	1,090,000
Oct. 23	149,800	827,000	39,311	1,210,000
Oct. 22	153,900	814,000	46,242	1,080,000

STOCKS NOT TRADED THIS WEEK

	Div. rate $	Last sale	Oct. 25 Bid	Ask
Vlau Bisc. pf.	5.00	100	100	105
Viceroy	*.25	7½	6	8
West Grain pf.	...	47½	..	47½
W'minster Pap.	.50	20	..	..
Wood, A. & J., p.	7.00	128	125½	127
York Knit. 1 pf.	7.00	175	150	..
Zellers 5% pf.	1.25	28	25½	26½

*Paid in 1945. ■Paid or payable in 1946. †Extra. xOn arrears. *N. Y. funds.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 10	Pulp and paper 8	Milling 4	Oils 4	Textiles and clothing 9	Food and allied prod. 13	Beverages 8	Bldg. mater. 16	Power and traction 14	Banks 8	Total utilities 18	Total co's. 100
(Base 1935-39=100)												
*1935 to date:												
High	210.2	287.9	149.7	123.7	214.4	138.5	447.0	168.5	148.2	136.3	149.0	126.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.2	66.7	60.2	60.0	65.2	61.1
1946: Monthly Figures:												
Jan.	168.2	252.6	130.6	90.0	183.7	127.8	357.6	149.0	125.7	121.6	148.6	123.5
Feb.	172.9	248.5	132.1	84.8	187.8	130.3	334.0	150.5	122.7	126.8	146.0	121.8
Mar.	189.2	244.4	130.6	81.6	186.8	129.0	327.8	148.6	121.7	129.2	142.4	119.8
Apr.	207.0	177.3	141.4	84.6	200.2	134.6	353.8	160.6	124.8	133.6	145.4	125.1
May	205.7	278.3	140.8	74.7	208.3	136.6	410.6	164.0	117.8	134.2	140.7	124.4
June	202.1	282.5	141.7	73.1	210.3	136.4	410.3	167.0	110.0	135.0	136.4	123.2
July	190.0	266.1	140.0	71.8	206.4	134.0	430.2	157.3	109.8	135.3	132.2	119.1
Aug.	187.6	268.6	139.4	70.8	207.9	129.9	430.5	154.1	109.9	132.3	130.3	116.9
Sept.	162.7	239.4	122.6	64.9	190.3	123.7	349.2	137.1	103.7	124.1	118.8	104.4
1946: Weekly Figures:												
Oct. 3	168.2	234.3	123.0	64.2	196.1	121.6	339.8	138.0	106.5	126.0	118.1	103.9
Oct. 10	162.7	222.8	121.7	62.3	183.9	121.2	322.6	133.5	102.9	124.8	112.6	100.3
Oct. 17	166.8	236.0	124.5	63.6	183.5	123.8	332.3	134.4	104.1	125.4	113.2	102.9
Oct. 23	165.3	238.1	124.0	63.9	181.5	123.0	336.0	132.6	103.9	124.1	114.3	102.1

*High and low for years from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Oct. 28	172.75	101.54	79.56	20.71
Oct. 26	.....	.....	.....	.....
Oct. 25	173.63	96.74	79.51	20.88
Oct. 24	173.85	95.75	78.97	20.82
Oct. 23	173.90	95.62	79.13	21.08
Oct. 22	174.67	95.67	79.45	20.93
Month ago	171.07	92.82	78.46	22.23
Year ago	162.36	133.68	81.10	29.90
1946 High	207.83	147.31	108.20	33.89
1946 Low	168.51	91.36	76.13	20.71

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Comb.	10 Pprs.	15 Golds
Oct. 28	73.9	119.8	104.5	332.58	71.44
Oct. 26	....	....	....	....	....
Oct. 25	73.8	119.9	104.5	326.42	69.91
Oct. 24	74.3	119.9	104.7	326.61	69.91
Oct. 23	73.6	119.7	104.4	325.66	70.14
Oct. 22	74.2	120.0	104.7	330.35	70.61
Month ago	73.4	121.6	105.3	310.12	73.64
Year ago	66.3	111.9	96.7	260.79	104.19
1946 High	83.9	140.4	126.7	410.80	118.56
1946 Low	71.3	115.7	101.0	280.76	69.91

Dow-Jones Closing Stock Averages

	30 Indust.	20 Rails	15 Util.	65 Stocks
Oct. 28	166.04	47.09	34.43	60.24
Oct. 26	168.44	47.80	34.97	61.13
Oct. 25	168.76	47.80	34.96	61.20
Oct. 24	169.98	47.93	34.84	61.48
Oct. 23	170.67	47.05	34.63	61.30
Oct. 22	171.25	47.68	34.80	61.67
Month ago	172.43	47.72	34.45	61.86
Year ago	184.24	58.94	36.07	68.43
1946 High	212.50	68.31	43.74	79.44
1946 Low	165.17	45.69	33.47	56.73

Grain Prices

Winnipeg Grain Futures

Week to Oct. 28, 1946

Crop year from Aug. 1, 1946 High	Low		High for week	Low for week	Close Oct. 28
		Oats*			
.51½	.51½	May	.51½	.51½	.51½
		Barley*			
.64¾	.64¾	May	.64¾	.64¾	.64¾
		Rye			
2.87	1.50⅞	Oct.	2.58	2.32¼	2.54
2.77⅝	1.72½	Dec.	2.43½	2.23	2.40
2.34⅝	1.69½	May	2.34⅝	2.19½	2.30½

*At ceiling.

Cash Quotations

For Week	Oct. 28 High	Low	Prev. Week High	Low
Oats*				
2 C. W.	.51½	.51½	.51½	.51½
3 C. W.	.51½	.51½	.51½	.51½
Barley*				
1 Feed	.64¾	.64¾	.64¾	.64¾
2 Feed	.64¾	.64¾	.64¾	.64¾
Rye				
2 C. W.	2.56½	2.35	2.34¼	2.25½

*At ceiling.

Unlisted Stocks

(Compiled from quotations supplied by Kippen & Co. Inc., Plaxton, MacDonnell & Co., and Kamm, Garland & Co.)

Oct. 28, 1946

	Bid	Ask
Aikenhead Hardware Co.	75.00	80.00
Allens Kingston units	71.00	....
Allens London Thea., pfd.	54.00	....
Allens St. Catherines units	60.00	....
Allens Toronto units	39.00	....
Anglo Can. Telephone A	11.25	12.25
Beach Foundry pfd.	85.00	....
Brinton Peterboro Carpet	90.00	....
British Mortgage & Trust	165.00	....
B. C. Sugar	94.00	97.00
B. C. Telephone 1st pfd.	118.00	120.00
Brockville Trust $50 par	51.00	....
Canada Tea pfd.	75.00	....
Canada Paving 1st pfd.	7.75	....
Canadian Airways	3.25	4.00
Can. Co-op. Woolgrowers	8.00	10.00
Canadian Fire Insce.	90.00	....
Canadian Indemnity	175.00	....
Can. Ingersoll Rand	55.00	60.00
Can. Investors Corp.	7.75	8.75
Canadian Motor Lamp A	13.00	14.00
Can. West Nat. Gas com.	38.00	....
Can. West Nat. Gas pfd.	108.00	....
Capital Trust Co. $100 par.	75.00	85.00
Capital Wire Cloth com.	9.50	....
Capital Wire Cloth pfd.	23.00	....
Cawthra Apts. units	4.50	7.50
Chase A. W. units	35.00	....
Colonial eRalty com.	6.00	9.00
Colonial Steamships com.	74.00	80.00
Commercial Finance com.	12.00	14.00
Commercial Life 10% paid	6.75	8.50
Commonw'lth Inter. Corp	3.45	3.78
Confed. Life Assoc. 30% pd	150.00	....
Continental Life 20% pref.	39.00	....
Crown Life Ins. 100% paid	310.00	....
Debent. & Securities pfd.	93.00	....
Detroit Inter. Bridge new	12.00	13.50
Dom. Can. Gen. Insur.	200.00	....
Dom. Life Assurance	200.00	....
Dover Industries Ltd.	13.00	....
Dunlop Tire pfd.	26.00	27.50
Edmonton Stock Yards un.	68.00	....
Empire Life Ins. 25% paid	17.00	19.00
Excelsior Life Ins. 40%	100.00	110.00
Fed. Found. & Stl. new c.	1.75	2.50
Foreign Power Sec. pfd.	11.25	12.00
Galt Brass com.	28.00	....
Goderich Elev. & Trans.	15.00	16.00
Great Lakes Power pfd.	113.00	....
Great West Life	410.00	....
Guardian Realty pfd.	35.00	....
Guaranty Co. of N. Am.	350.00	....
Guelph and Ont. Svgs. $50	57.00	....
Gurney Foundry pfd.	3.20	3.60
Hart Battery com.	7.00	9.00
Highland Dairy pfd.	60.00	....
Homewood Sanitarium	115.00	....
Hudson's Bay ord.	15.00	....
Imperial Life	325.00	....
Industrial Mtge. Tr. $50	53.00	....
Ingram & Bell pfd.	98.00	....
Lambton Loan & Inv. $50	60.00	....
Loblaw Groc. Inc.	21.50	22.75
London & West. Trust $100	103.00	....
Manufacturers Life Ins.	305.00	....
Midland Loan & Svgs. $10	18.50	....
Moirs Limited pref.	134.00	....
Monarch Life Assoc. 20%	90.00	95.00
Monarch Mtge. units	4.00	4.75
Montreal Island Power pfd.	....	40.00
Montreal Trust Co.	93.00	....
Morrow Screw com.	16.00	....
Morrow Screw pfd.	101.00	....
National Drug & Chem. com. new	6.75	7.50
National Drug & Chem. pfd. new	14.12½	14.50
National Drug & Chem. com. old	9.50	10.25
National Life Assce. 25%	72.00	80.00
Neilson, Wm. com.	18.00	....
Neilson, Wm. pfd.	102.00	....
New Brunswick Telephone	13.00	15.00
New Method Laundry un.	98.00	....
North Amer. Elev. 1st pfd.	90.00	....
Ont. Beauty Supply com.	2.00	2.50
Ont. Tobacco Plant units	37.50	....
Paramount Kitchener units	55.00	....
Paramount Oshawa pfd.	95.00	102.00
Provincial Bank of Can.	13.00	13.75
Prudential Trust	10.00	....
Ritchie Cut Stone pfd.	3.50	....
Ruddy, E. L. pfd.	145.00	....
Sawyer Massey com.	1.50	2.50
Seiberling Rubber com.	13.00	17.00
Sincennes McNaught. Tugs	2.25	....
Sherbrooke Trust	130.00	....
Sovereign Life Assce. 25%	35.00	....
Standard Fuel pfd.	50.00	51.00
Standard Fuel com.	4.50	6.00
Sun Life Assce.	490.00	515.00
Third Can Gen. Inv.	3.50	4.00
Toronto Carpet pfd.	98.00	102.00
Toronto General Ins.	6.00	....
Trusts & Guarantee $100	103.00	....
United Farmers Co-op	3.00	4.00
United Steel A pfd.	26.00	27.50
Victoria Trust & Svgs.	122.00	....
Waterloo Mfg. com.	8.00	9.00
Waterloo Trust & Svgs.	122.00	....
Western Assurance com.	63.00	67.00
Western Assur. pfd.	41.00	....
Western Grain com.	1.50	2.00
Western Grain pfd.	41.00	44.00
York Trading com.	7.00	....

Unlisted Mines

Approximate quotations, 3 p.m., Oct. 28, subject to confirmation:

Abenakis	.06	.09
Advance	.06	.09
Alb R n	.29	..
Alcan	..	.07
Alexander	.11	.13
Aljo	.02½	.03½
Ama Kir	.09	.11
Anna'que	.04	.06
Anoki	.06	.09
Argonaut	.04	.05
Audley	.02	.04
De Sant n	.08	.09
Dexter	.50	.62
Dom Mal	.01½	.02½
Dona Pat	.02	.03
Doris	.27	.30
Eastward	.28	..
Echo Indin	.10	.13
Electra	.13	.16
Elmac	.11	.13
Erin Kirk	.03½	.05
Eurek Co	2.55	2.65
Louvore	.03½	.04
Major Oil	.04	.06
Mallen RL	.13	.16
Manterre	.04	.05½
Marbenor	.24	.27
Marquette	.02	.04
Mar Bird	.08	.10
Mary Ann	.14	.16
Mat Con	.24	.27
Mate Yel	.06	.09
Phelps	.04	.06
Pinnacle	.04	.06
Poona Go	.01½	.03
Presdor	.03½	.04½
Privateer	.58	.63
Quest	.29	.32
Rajah RL	.06	.08
Rambull	.02	.04
Rand Mal	.09	.11
Raym Tib	.05	.07

	Div. rate	Last sale	Oct. 25 Bid	Ask
South West Pete.	...	.16	.14	..
Spooner	...	.09	.06	..
Sunset	‡.01½	.06	.06	..
Superior	...	.22	..	..
Three Point	...	.02½	..	..
Trans Alta.	...	.01½	..	..
Turner Valley	...	.20	..	..
Warner	...	.00½	..	..
Wellington	...	.02	..	..

‡Paid or payable in 1946. *N. Y. funds. †Paid in 1945.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$12.34	$12.22	$10.50
Hogs	19.85	19.85	17.25
Copper, lb.	*.14⅛	.14⅛	.12
Sugar, raw, lb.	*.03375	.04205	.04205
Coffee, lb.	.17695	.17695	.09⅛
Hides	*.15½	.15½	.15½
Weekly Indices			
U. S. Labor	135.1	128.0	105.3
Dow Jones	120.11	119.42	103.43
Fishers	142.0	135.1	115.5
Monthly Indices			
Retail (Sept.)	125.5	125.6	119.9
W'sale (Sept.)	109.1	109.2	103.3
U. S. (July)	112.9	124.3	105.9
Gt. Brit. (Apr.)	172.5	171.9	168.4

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good over 1,050 lb., top price, Toronto. Copper electrolytic, New York. No 7 coffee. Rio Sugar 96 degrees centrifugal c/f New York.

*Ceiling prices fixed by the office of Price administration.

BUSINESS THIS WEEK

	SEPT.	AUG.	JULY	JUNE	Year Ago
GOVERNMENT FINANCE (millions of $)					
Dom. total revenue	196.6	207.6	253.0	262.3	225.9
Dom. total expend.	229.3	184.9	190.0	249.3	225.4
MERCHANDISING					
Dept. store sales index no. (1)	....	197.1	159.5	191.6	155.7
Retail sales index (no.)	....	214.3	195.4	216.0	178.1
Wholesale sales index (no.)	....	261.9	249.3	241.0	216.3
Country store (% change pr. yr.)	....	+17.8	+14.7	+10.0	....
FINANCE					
Dividend payment index (5)	148.2	148.4	146.9	144.9	140.0
Bank debits (1)	....	....	199.1	109.2	104.6
Money supply (millions $)	....	....	7,097	6,975	6,392
NEWSPRINT CAPACITY					
■Production ratio	90.3	99.1	99.2	96.5	80.8
■Shipment ratio	101.0	95.4	101.3	93.2	82.9
RAILWAY FREIGHT LOADINGS					
■Tons (D.B.S.) index	146.5	179.8	169.7	176.9	141.2
■Cars (D.B.S.) index	129.2	146.7	150.7	141.3	119.4
COST OF LIVING					
D.B.S. index	125.5	125.6	125.1	123.6	119.9
EMPLOYMENT INDEX, D.B.S.					
All industries	....	172.6	173.6	169.9	175.0
Manufacturing	....	184.0	187.2	184.6	204.1
Payrolls (June 1/41=100) (2)	....	143.2	142.2	137.0	142.4

	1946	1945	Jan. 1 to date 1946	1945	Change %
RAILWAYS—(000's omitted)					
■Carloadings (week Oct. 19)	76.3	77.4	2,915.9	2,913.7	+0.1
■C.P.R. gross rev. (Oct. 21)	6,217	6,444	226,106	249,615	—9.2
■C.N.R. gross rev. (Sept.)	34,428	35,438	290,118	327,320	—11.4
C.N.R. net rev. (Sept.)	2,491	5,479	30,382	62,073	—51.1
C.P.R. gross revenue (Aug.)	25,217	26,792	188,728	210,499	—10.4
C.P.R. net revenue (Aug.)	720	816	10,172	21,932	—53.6
IRON AND STEEL (000's omitted) (Aug.)					
■Pig iron production (tons)	46.5	139.8	987.0	1,232.2	—19.9
■Steel production (tons)	88.7	224.9	1,674.3	2,049.7	—18.4
CONSTRUCTION (000's omitted)					
Contracts awarded (Aug.) $	50,414	41,031	460,692	267,276	+72.3
Building permits (Sept.) $	27,493	20,038	299,081	143,927	+7.9
■Cement prod., bbls. (Aug.)	1,231.1	1,048.5	7,769.2	5,376.9	+44.5
AGRICULTURE (000's omitted)					
Flour prod., bbls. (Aug.)	2,159	2,021	28,595	26,697	+7.1
Flour exp., bbls. (Aug.)	1,977	1,106	10,672	9,746	+9.5
Wheat exp., bush. (Aug.)	8,442	43,095	101,445	191,774	—47.1
Cattle sales (Sept.) (4)	176.3	193.7	1,219.2	1,267.3	—3.8
Hog sales (Sept.) (4)	221.1	305.9	3,185.0	4,378.7	—27.2
SEA FISHERIES (000's omitted)					
Catch, cwt. (Aug.)	1,691	1,861	7,414	7,971	—7.0
Landed value (Aug.) $	8,940	8,629	26,130	36,591	—29.0
NEWSPRINT (000's omitted)					
■Production (Sept.)	330	270	3,061	2,372	+29.0
■Exports, tons (Sept.)	357	304	3,017	2,367	+27.5
MINING AND OILS (000's omitted)					
■Coal prod., tons (Aug.)	1,346	1,199	11,550	10,757	+7.4
■Gold prod. (fine oz.) (Aug.)	231	212	1,899	1,750	+8.5
■Petroleum prod. (brl.) (Aug.)	623.3	685.0	5,128.4	5,903.6	—13.2
ELECTRICAL POWER OUTPUT (000,000 omitted) (Aug.)					
Total monthly kw.h.	3,440	3,238	27,549	27,186	+1.3
FOREIGN TRADE (millions of $)					
Imports (Aug.)	163.2	128.1	1,204.7	1,065.5	+13.1
■Exports (Sept.)	220.8	169.8	2,517.0	1,663.9	+57.3
FINANCE (millions of $)					
Bank debits (Aug.)	4,867	4,727	44,918	42,814	+4.9
■Bond sales (Oct.)	398.7	765.5	4,179	5,731	—27.1
■Life insurance sales (Sept.)	90.7	65.0	872.4	579.4	+50.6
OTHER INDUSTRIAL FACTORS (000,000's omitted)					
Shoe prod. pr., (Aug.)	3.7	3.2	29.3	25.2	—14.0
Cigarette cons. (no.) (Sept.)	1,306	1,123	10,798	10,282	+5.0

(1) Base period 1935-39=100. (2) All industries. ■New items for week. (4) Total at yards and plants. (5) Nesbitt, Thomson, ets.

Government Bonds

Oct. 29, 1946 (Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask.
Victory Loans:			
3	June 1951	105½	105¾
3	Mar. 1954	105¾	106¼
3	Nov. 1956	105¾	106¾
3	May 1957	104¾	105¾
3	Jan. 1959	104¾	105¼
3	June 1960	104¾	105¼
3	Feb. 1962	104¾	105¼
2	Dec. 1946	100	100¼
2¼	Mar. 1948	101¼	101¾
1¾	Nov. 1946	100	100¼
1¾	May 1947	100¼	100¾
1¾	Mar. 1948	100¼	101
1¾	Nov. 1948	100¾	101
1¾	Nov. 1950	100¾	101¼
3	Oct. 1963	104¾	105¼
3	Sept. 1966	104¾	105¼
1¾	Nov. 1949	100¼	101¼
Dom. of Canada Bonds			
3½	Nov. 1951	103	103¾
4	Oct. 1952	102½	103
3½	Feb. 1952	104¾	105¾
3	Oct. 1952	103¾	104
3	June 1955	104¼	104¾
4½	Nov. 1957	103	103½
3	June 1958	104¼	105
4½	Nov. 1958	105¼	105¾
4½	Nov. 1959	107½	108½
3½	June 1966	105¾	106¾
3	Perpetual	103¾	104¾
Dom. Guarant'd Bonds Can. Nat. Railways:			
3	Jan. 1959	103½	104½
4½	Sept. 1951	112	114
4½	Feb. 1956	117½	119½

%	Due	Bid	Ask.
4½	July 1957	119½	121½
3	Feb. 1953	101¾	102¾
4½	June 1955	119	121
5	Feb. 1954	117½	118¾
5	Feb. 1970	114½	117
5	Oct. 1969	113	115
Can. Natl. W. Ind. S.S.:			
5	Mar. 1955	119	121
Grand Trunk Pacific Rly.:			
3	Jan. 1962	106	109
4	Jan. 1962	116	118
Provincial Govt. Bonds			
New Brunswick:			
3	Oct. 1951	100¾	102½
3½	Aug. 1949	100¼	101¾
3½	June 1956	103½	105
4½	Apr. 1961	117	119
5	Jan. 1960	121	123
Nova Scotia:			
3	Jan. 1952	103	104½
3½	June 1956	104½	106
3½	Nov. 1950	105	106½
4½	Sept. 1952	102	104
4½	Nov. 1960	118½	121
5	Mar. 1960	124	126
Ontario:			
3	Nov. 1950	101	102
3½	Nov. 1951	103¾	105½
3½	May 1955	105¾	107½
4	June 1962	115½	117½
4½	June 1950	109	110½
4½	Jan. 1962	121	123
5	Oct. 1948	105¾	107½
5	Dec. 1960	126	128

%	Due	Bid	Ask.
Ont. Hydro Commission:			
3½	Feb. 1953	104	105½
Prince Edward Island:			
4	Mar. 1954	101	103½
Quebec:			
3½	Mar. 1948	101	102½
3½	Mar. 1959	105½	106¾
4	Nov. 1952	105½	107
3¾	Feb. 1955	106	107½
4½	Aug. 1958	113½	115
4½	Jan. 1963	117½	119
Alberta:			
3½	June 1964	99	102
3½	June 1966	99	102
3½	June 1968	99	102
3½	June 1972	99	102
3½	June 1978	99	102
British Columbia:			
4	Dec. 1957	110½	112½
4½	Jan. 1951	109	111½
4½	Oct. 1953	112½	114½
5	Apr. 1954	116	118
Manitoba:			
4	Mar. 1957	110	112
4½	Dec. 1956	114	116
5	Dec. 1959	121	123
5½	Oct. 1955	117½	...
Saskatchewan:			
4	Sept. 1954	100	102
4	Nov. 1960	101¾	103¾
4½	Oct. 1951	104½	106¾
4½	Mar. 1960	106	108
5	Aug. 1958	109½	111½
5½	Oct. 1952	108	110
6	Mar. 1952	109½	111½

Dividends Declared

	This payment $	Date payable	Date of record
Agnew-Surpass	.45	Dec. 2	Oct. 31
Aluminium	2.00+1.00	Dec. 5	Nov. 7
Anglin-Norcr's	1.50+1.00	Feb. 1	Dec. 31
Argus Corp. 4½%	1.12½	Dec. 2	Oct. 31
Aunor	.05	Nov. 30	Nov. 8
Aluminum Co.	.25	Dec. 1	Oct. 30
Anglo Can.	*.56¼	Nov. 1	Oct. 10
Atlas Steels	.50	Nov. 1	Oct. 16
Ault & Wiborg	1.37½	Nov. 1	Oct. 15
Bank of Montreal	.20	Dec. 2	Oct. 31
Bank of Toronto	.25+.20	Dec. 2	Oct. 15
Bank of N. Scotia	.30	Nov. 1	Oct. 16
Bathurst Pwr. & P.	.25	Dec. 2	Nov. 4
Blue Ribbon Corp.	.62½	Nov. 1	Oct. 21
Brazilian Tract.	1.00	Dec. 2	Oct. 11
Bertram & Son	.25	Nov. 15	Oct. 31
Brompton	.25	Jan. 15	Dec. 23
B. C. Pulp & Pr.	1.75	Nov. 1	Oct. 15
B. C. Tele.	1.50	Nov. 1	Oct. 17
Burry Biscuit	.32	Nov. 15	Oct. 25
Butterfly Hosiery	.25	Dec. 15	Nov. 15
Do., 7%	3.50	Jan. 31	Dec. 31
Caldwell Linens	.37	Nov. 1	Oct. 12
Do., pf.	.20	Nov. 1	Oct. 12
Calgary Power	1.50	Nov. 1	Oct. 10
Capital Estates	†.25	No. 15	Oct. 29
Chart. Trust	1.25	Jan. 2	Dec. 16
Cockshutt Plow	.25	Dec. 2	Nov. 2
Confed. Life	1.50	Dec. 15	Dec. 10
Can. Oil Co.	.15	Nov. 15	Nov. 1
Coast Brew.	.03+.03	Nov. 1	Oct. 5
Commonwlth Intnl.	.04	Nov. 15	Oct. 15
Cons. Bak. of Can.	.20	Jan. 2	Dec. 5
Consumers Glass	.50	Nov. 30	Oct. 30
Cosmos Imp.	.30	Nov. 15	Oct. 31
Can. Utilities	1.25	Nov. 15	Oct. 25
Corp. P. Box	1.25	Dec. 2	Nov. 15
Can. Bronze	.37½	Nov. 1	Oct. 10
Do. pf.	1.25	Nov. 1	Oct. 10
Cons. Textile	*.50	Dec. 2	Nov. 1
Can. Bk. of Comm.	.20	Nov. 1	Sept. 30
Can. Invest.	.10	Nov. 1	Oct. 7
Crown Cork & Seal	.50	Nov. 15	Oct. 10
Crows Nest Pass	1.50	Dec. 2	Nov. 8
Can. Cement	*.32½	Dec. 20	Nov. 22
Can. N. Power	.15	Jan. 25	Dec. 20
Do. pf.	1.75	Jan. 15	Dec. 20
Can. Wire	1.00	Dec. 15	Nov. 30
Can. Fairbanks	.25+.25	Dec. 2	Nov. 15
Can. Foreign Inv.	.75	Jan. 2	Dec. 2
Com.	.75	Apr. 1	Feb. 28
Com.	.75	July 1	May 30
Can. Indust.	.50	Dec. 2	Nov. 1
Dist. Seagrams 5% pref.	†.37½	Nov. 1	Oct. 10
Dom. Stores	.25+.07½	Dec. 14	Nov. 16
Dom. & Anglo Inv.	1.25	Dec. 2	Nov. 15
Dom. Scott. Inv.	.50	Dec. 2	Nov. 1
Dom. Bank	.25	Nov. 1	Oct. 15
Dom. Fabrics	.20	Nov. 1	Oct. 15
Do., pf.	.75	Nov. 1	Oct. 15
Do., pf.	.37½	Nov. 1	Oct. 15
Dom. Malting	.25	Nov. 1	Sept. 30
Do., com.	.25	Feb. 1	Dec. 31
Do., pf.	1.25	Nov. 1	Sept. 30
Do., pf.	1.25	Feb. 1	Dec. 31
Dom. Tar & Chem.	.25	Nov. 1	Oct. 1
Dom. Tar & Chem.	.25	Feb. 1	Jan. 2
Do., pf.	.25	Feb. 1	Jan. 2
Dom. Woollens	.20	Nov. 1	Oct. 15
Dom. & Anglo Inv.	1.25	Dec. 2	Nov. 15
Dom. Scottich Inv.	.50	Dec. 2	Nov. 1
Donnacona Pap.	.50	Nov. 1	Oct. 1
Donnacona Pap.	1.12½	Nov. 15	Oct. 18
Donohue	.25	Dec. 2	Nov. 15
Dunlop Tire	.62½	Dec. 31	Dec. 16
Esmond Mills	.25	Nov. 1	Oct. 5
A. J. Freiman	.12½	Nov. 1	Oct. 15
Do., 4½% pf.	1.12½	Nov. 1	Oct. 15
Gen. Steel Wares	.20	Nov. 15	Oct. 17
Do., pf.	1.25	Nov. 1	Oct. 3
Hallnor	.15	Nov. 30	Nov. 8
Hayes Steel	.50	Nov. 7	Oct. 31
Holt Renfrew 7% p	3.50	Jan. 15	Dec. 31
Invest. foundation	.75	Jan. 15	Dec. 16
Imper'l Bk. of Can.	.25	Nov. 1	Sept. 30
Intnl. Nickel	1¾%	Nov. 1	Oct. 2
Int. Utilities	.22½	Dec. 2	Nov. 15
Kirkland Lake	.01	Nov. 1	Sept. 28
Lake St. John	.50+1.00	Jan. 15	Dec. 23
Lake of Woods	‡.40	Nov. 15	Oct. 22
Do.	.40	Dec. 2	Nov. 1
Do., 7% pfd.	1.75	Dec. 2	Nov. 1
Langley's 7% pfd.	.50	Dec. 11	Dec. 4
Laura Secord	.20	Dec. 2	Nov. 1
Leitch Gold	.02	Nov. 15	Oct. 31
Lewis Bros.	.15+.15	Jan. 31	Dec. 31
Loblaw Groc.	.20	Nov. 30	Nov. 8
Loblaw Groc.	.25+.12½	Dec. 2	Nov. 5
London & West. Tr.	1.00+.50	Nov. 1	Oct. 16
Mercury Mills	.25	Nov. 1	Oct. 15
Monarch Knit.	.15	Jan. 1	Nov. 30
Do. pf.	1.25	Jan. 1	Nov. 30
Montreal Cottons	.14	Dec. 14	Nov. 15
Do. pf.	.43¾	Dec. 14	Nov. 15
McIntyre-Porc.	.50½	Dec. 2	Nov. 1
Do.	‡1.00½	Jan. 2	Nov. 1
McColl-Fron.	.50	Nov. 30	Oct. 31
Moneta Porc.	.02	Dec. 14	Nov. 15
McCabe Grain	.15	Nov. 1	Oct. 15
N. Slater Co.	.30	Nov. 1	Oct. 10
Nat. Drug	*.15	Dec. 2	Nov. 2
Neon Prods. 6% pf.	1.50	Nov. 1	Oct. 18
Ogilvie Flour Mills	1.75	Dec. 2	Oct. 28
Orange Crush	.35	Nov. 1	Oct. 1
Ont. Steel	.25	Nov. 15	Oct. 15
Do., 7% pf.	1.75	Nov. 16	Oct. 15

Dividends Declared (Cont'd)

Ottawa Lt. Heat	.15	Jan. 1	Nov. 15
Do., pf.	1.25	Jan. 1	Nov. 15
Pamour Porc.	.03	Dec. 7	Nov. 7
Power Corp.	.20	Dec. 31	Nov. 22
Do. pf.	.75	Jan. 15	Dec. 20
Do., pf.	1.50	Jan. 15	Dec. 20
Pacific Pete.	*.05	Nov. 15	Oct. 31
Penmans	.75	Nov. 15	Oct. 15
Do., 6%	1.50	Nov. 1	Oct. 1
Purity Flour	.62½	Nov. 1	Oct. 4
Proprietary Mines	.05	Nov. 6	Oct. 5
Quebec Power	.25	Nov. 25	Oct. 18
Reg't Knit $1.60 p.	.40	Dec. 2	Nov. 2
Robinson Cott.	.10	Nov. 1	Oct. 1
Rolland Pap.	.15	Nov. 15	Nov. 1
Do., pf.	1.06¼	Dec. 16	Dec. 2
Royal Bank of Can.	.20	Dec. 2	Oct. 31
San Antonio	.07	Nov. 5	Oct. 5
Shawinigan Water	.25	Nov. 25	Oct. 18
Sher.-Williams	.15	Nov. 1	Oct. 10
Simpsons, 4½% pf.	1.12½	Dec. 16	Nov. 16
N. Slater Co.	.30	Nov. 1	Oct. 10
South. Can. Pr.	.20+.05	Nov. 15	Oct. 18
Stand. Chemical	1.25	Dec. 1	Oct. 31
Stand. Fuel	*.37½	Nov. 1	Oct. 15
Steel Co.	.75	Nov. 1	Oct. 7
Do., pf.	.75	Nov 1	Oct. 7
St. Lawrence Flour	.40	Nov. 1	Sept. 30
Do., pfd.	1.75	Nov. 1	Sept. 30
St. Lawrence Corp.	.25	Jan. 15	Dec. 23
St. Lawr. Pap.	.75+.75	Jan. 15	Dec. 23
H. Simon & Sons	.30	Dec. 2	Nov. 2
Do., pf.	1.25	Dec. 2	Nov. 2
Southern Can.	1.50	Jan. 15	Dec. 20
Sylvanite	.03	Jan. 2	Oct. 31
Southam Co.	.19	Nov. 15	Oct. 18
Stanley Brock A.	.15	Nov. 1	Oct. 15
Do., B	.10	Nov. 1	Oct. 15
Stowell Screw Co.	.75	Dec. 1	Oct. 31
Toburn Gold	.01	Nov. 22	Oct. 22
United Corp.	.25	Nov. 30	Oct. 31
Do., pf.	.37	Nov. 15	Oct. 15
United Steel	.17½	Dec. 16	Dec. 1
Viceroy Mfg.	.07	Dec. 16	Dec. 9
Wait Amulet	.25	Dec. 10	Nov. 8
Westminster	.25	Nov. 1	Oct. 15
Woods Mfg.	.50	Dec. 31	Nov. 30
Wilsil Ltd.	.25	Jan. 2	Dec. 1
Winnipeg Elec.	.50	Dec. 16	Nov. 18
Do., pf.	2.50	Dec. 31	Nov. 15
Wood	1.75	Nov. 1	Oct. 15
Zeller's Ltd.	.25	Nov. 1	Oct. 15
Do., pf. 5%	.31¼	Nov. 1	Oct. 15
Do., pf. 6%	.37½	Nov. 1	Oct. 15

†N. Y. funds. *Initial. ‡Bonus.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
1946:				
‡Can. Cement A	4½%	1951	Nov. 2	101
‡Godfrey Realty	4%	1952	Dec. 1	100
Gt. Lakes Pwr. 1st mtge. A	4½%	1956	Nov. 21	102¾
‡Gypsum Lime & A. 1st mtge. ser. A	5½%	1948	Nov. 15	100½
‡Ind. Accept., A	4%	1952	Nov. 1	101
London Realty	6½%	1950	Nov. 1	101
Metropol. Bldg.	5%	1952	Nov. 15	101
Mtl. Island Pr. A	5½%	1957	Nov. 1	102
Mtl. Lt. H. & Pr.	3½%	1960	Nov. 15	102½
‡Penmans	5½%	1951	Nov. 1	105
‡Prov. Paper A	5½%	1947	Nov. 1	100
Queens Hotel	5%	1953	Nov. 1	100
‡St. Maurice Pr.	3¾%	1970	Nov. 18	103
‡Do.	5%	1956	Nov. 18	102
‡Viceroy Mfg.	3½%	1947	Nov. 1	100½
‡Do.	3¾%	1948	Nov. 1	100½
‡Do.	3¾%	1949	Nov. 1	100¾
‡Do.	3¾%	1950	Nov. 1	101
‡Do.	3¾%	1951	Nov. 1	101¼
‡Do.	4½%	1956	Nov. 1	103
‡Walker-Good.	1.8-3.2%	1956	Nov. 15	100½
‡Wilder Realty	5%	1953	Nov. 1	100
Windsor Gas	5%	1966	Nov. 1	100
1947:				
‡Cons. Paper	5½%	1961	Jan. 2	100
L. St. John Pwr. & P., A	5½%	1961	Jan. 1	102
‡N. Amer. Elevators 1st mtge.	6½%	1950	Jan. 1	101
‡Royal Ex. Bldg.	6%	1948	Jan. 2	105

‡All outstanding.

Company Meetings

1946	Company	Place
Nov. 4	Anglo Huronian	Toronto
Nov. 6	B. C. Forest Prod.	Vancouver
Nov. 14	Dist.-Seagrams	Montreal
Nov. 15	MacKinnon Steel	Sherbrooke
Nov. 21	Ogilvie Flour Mills	Montreal
Dec. 2	Bank of Montreal	Montreal
Dec. 4	Bank of Nova Scotia	Halifax
Dec. 11	Dominion Bank	Toronto

Municipal Bonds

Oct. 29, 1946

	%	Due	Bid	Ask.	Yld. %
Halifax	3½	1965	104¼	105¾	3.08
Hamilton	5	1950	109	110½	1.95
Montreal	3	1956	99¼	99¾	3.02
Ottawa	3	1953	105¼	106¾	1.92
Quebec	3	1964	98	100	3.00
†Quebec	5	1939	118	120½	3.04
Saint John	4	1950	104	106	2.45
†Toronto	4½	1955	114½	116	2.35
†Vancouver	5	1970	129	131	3.10
Winnipeg	6	1950	112	114	2.02

†Payable Canada and New York.

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)
Oct. 29, 1946

Public Utility Issues:	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
▲Alg. Cen.H.B.R.	5	'59	53	56	53
†Assoc. Tel. & T.	5½	'55	103½	106	103
B. C. Pwr.	4½	'60	102	104	102½
Do.	4	'65	102½	104½	102
†Calgary Pwr.	5	'60	102½	105	102½
♦Do.	5	'64	103	105½	103
♦Gatineau Pr. A	3½	'70	104	106	104
*Do., B	3	'70	101½	103½	101½
Gt. Lakes Pwr.	4½	'56	101½	104	101½
Do.	5	'57	101½	104	101½
*Int. Hydro-El.	6	'44	94½	97½	94½
L. St. Law. Pr.	3¾	'65	102	104½	102
Mtl. L. H. & Pr.	3½	'56	101	103	101
Do.	3½	'63	102½	104½	102½
Do.	3½	'73	100	102	100
†Mtl. Tramways	5	'51	102½	105	102
†Do.	5	'55	100	102½	100
Nat. Lt. & Pwr.	4½	'61	102	...	102
Otta. L. H. & P.	4	'57	101½	103½	101½
Ottawa V. Pwr.	5	'59	101½	...	101½
Do.	4	'64	105½	...	105½
†Power Corp.	4½	'59	104	...	103
Quebec Pwr.	3	'62	99	101	99½
St. Maurice Pr.	3¾	'70	102½	...	102½
†Shaw. W. & Pr.	3	'71	99	101	99
Do.	4	'69	104	106½	104
Union Gas	4½	'50	100½	103	100½
†United Secs.	3	'52	99	102	99
Wpg. El.	3¾	'71	102½	104½	102½
Industrial and Realty Issues:					
†Abitibi Pr. P.	5	'65	99	101	98½
Acadia-Atlantic Sugar	3¾	'65	102½	...	102½
Algoma Steel	5	'48	100½	103	100½
Aluminum Co.	3½	'74	106	...	106
†B.C. Pulp & P.	6	'50	100½	...	100½
†Do.	7	'50	100½	102½	100½
Brown Co.	5	'59	99	101½	99
Burns & Co.	4	'63	101	103½	100½
Can. Celanese	3½	'59	102	...	102
Canada Cement	4½	'51	...	...	101
Can. Electric	4½	'65	101	...	101
Can. Steamship	3½	'57	101½	103½	101½
C. West Lum.	4	'62	101½	104	102
C. P. R.	3½	'51	104	...	104
Do.	4	'49	105	...	104½
C. P. R.	4	Perp.	104	...	104
†Consol. Paper	5½	'61	100½	...	100½
Dom. Coal	4½	'52	100	102½	100
Dom. Scot. Inv.	4	'52	101	...	101
Dom. T. & Ch.	3½	'57	103½	...	103½
Dom. Textile	3½	'59	104	...	104
Dom. Woollens	5	'64	102½	105	102½
†Donnacona P.	4½	'56	99½	101½	99½
Dryden Pap.	4	'61	101½	103½	101½
†Federal Grain	4	'64	102	104	102
Gurney Fdry.	5½	'49	100	103	100
†Gypsum Lime	5½	'48	100	...	100
Ham. Cotton	3¾	'59	99½	...	99½
Imp. Tobacco	2¾	'66	99½	...	99½
Inter-City Bak.	5½	'48	100	...	100
Indust. Accept.	3½	'66	99½	102	99½
Ins. Ex. Bldg.	5	'51	99	...	99
*Inv. Bd. & Sh.	5	'47	95½	98½	95½
Lake St. J. P.	5½	'61	101½	104	101½
Do.	5	'61	101	103½	101
Legare	6	'61	100	...	100½
MacMillan (H. R.) Export	4	'65	101½	104	102
Maple L. M.	3¾	'63	102	104	102
Massey-Harris	3	'66	99	101½	99
McColl-Fron.	3	'71	99	101½	99½
McCormicks	4	'52	100½	...	100½
Mercury Mills	4	'59	100½	103	101½
Moirs Ltd.	6	'53	99½	...	99½
Montreal Apts.	4	'54	95¾	98½	96
N. S. Stl. Coal	3½	'63	98½	101	98½
Price Bros.	3½	'68	102½	104½	102½
Silv. Dairies	4	'60-64	101	103½	101
Do.	4	'71	99½	102½	99
Simpsons, Ltd.	3½	'60	102½	...	102½
Toronto Elevat.	3½	'66	101½	...	101½
United Corp.	4	'38	100½	...	101½
†Western Grain	5	'63	97	100	97½
York Kt. Mills	3½	'71	99½	102	99

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
♦Payable in Canada only.
▲Payable in Can. or U. K.

Investment Trusts

	Bid	Asked
Affiliated Funds	4.35	4.76
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	4.40	4.90
Can. Invest. Corp.	7.75	8.75
Commonwealth Int.	3.44	3.78
Corporate Inv.	8.95	9.60
Trans-Canada (A)	13.15	....
Do., (B)	....	12.50

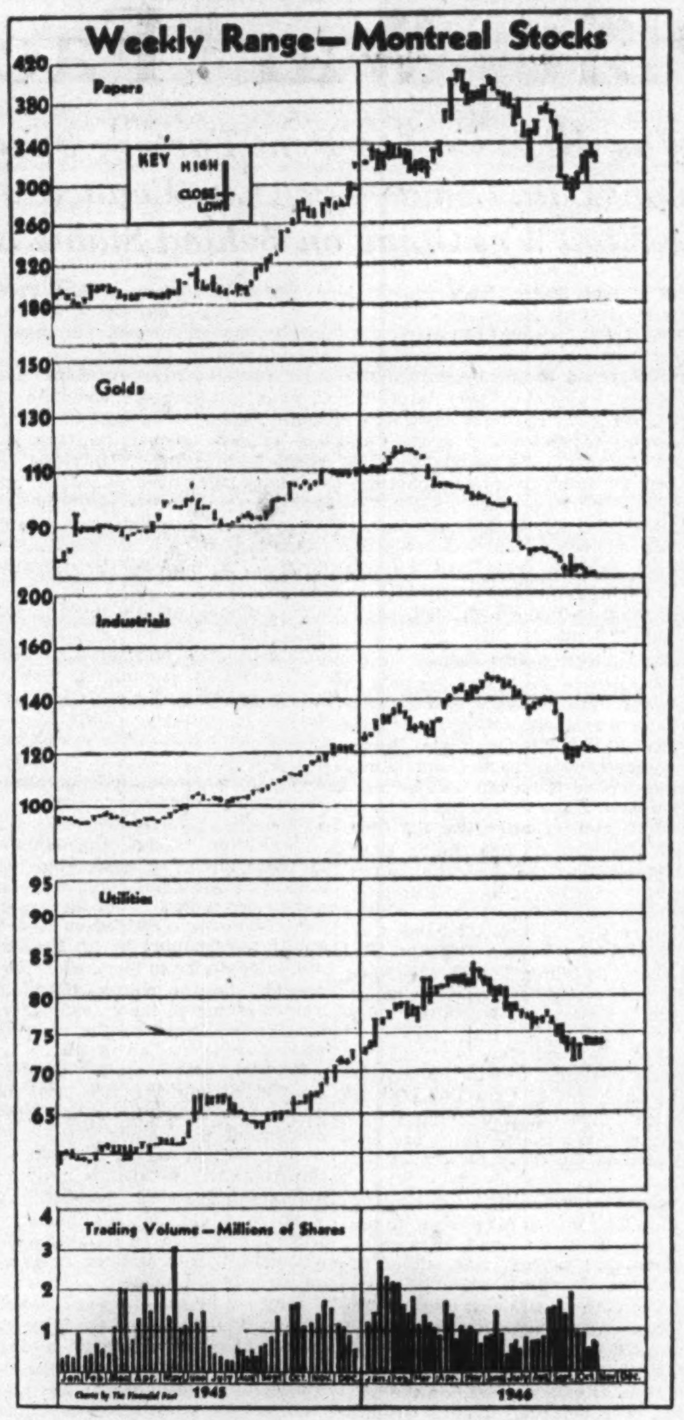
Says General Bakeries Results Encouraging

Operating results for the first 28 weeks of operation of General Bakeries Ltd. are most encouraging and in excess of those anticipated, President J. William Horsey states. The company's policy of quality first in its products, improved service to the public, better wages and working conditions for all employees was enthusiastically approved at a full meeting of the directors last week, Mr. Horsey reports.

HYDRO - ELECTRIC POWER COMMISSION OF ONTARIO total primary load for September shows an increase of 1.8% or almost 42,000 h.p. from a year ago. Total primary and secondary loads show an increase of 0.5%, or approximately 12,000 h.p. Curtailed demands due to labor disputes continue to be reflected in the loads.

Maximum 20-Minute Peak H.P.

	Sept., 1946	Sept., 1945	% Incr.
Primary Loads:			
South. Ont.	2,010,355	1,990,202	+1.0
Thunder Bay	138,740	120,643	+15.0
Nor. Ont. Prop.	214,923	211,539	+1.6
Total	2,364,018	2,322,384	+1.8
Primary & Secondary Loads:			
South. Ont.	2,080,591	2,100,779	—0.5
Thunder Bay	145,979	126,139	+15.7
Nor. Ont. Prop.	278,461	274,944	+1.3
Total	2,514,031	2,501,862	+0.5



Quemont Drills Extend Ore To 1,550-ft. Level at Least

Gold-copper ore bodies of Quemont Mining Corp. are improving and extending north of previous known limits on 200-ft. level and carrying to depth of at least 1,550 ft., President J. H. C. Waite informs The Financial Post. Three more diamond drilling rigs are being added to the three already working underground to speed up the program.

Diamond drilling from the 900-ft. horizon has returned gold-copper (commercial values) to a vertical depth of 650 ft. below the level. However, the company is not submitting results of individual holes or providing an over-all estimate of tonnage or average grade, as considerable additional drilling will be necessary, and will possibly require the sinking of a winze from 900 ft. The latter program more or less hinges on availability of compressed air.

Diamond drilling from the 200-ft. setups is reported to have appreciably added to ore reserves since issuance of ore estimates (See Financial Post, May 25). Vertical diamond drill holes from drives spaced at 100-ft. intervals on 200-ft. horizon have indicated a marked improvement in ore grade and thickness over that indicated in angle holes from surface. The ore body is continuing northward beyond the previously known limits.

Diamond drilling from the ice of Osisko Lake is expected to get under way before or shortly after the New Year. Six drilling rigs are to be utilized in order to cover as great an area as possible before spring break-up.

The continued shortage of labor and construction materials may hold up sinking of the new shaft until December. In the meantime, the shaft has been sunk to 38 ft. in rock, and cement collar is about completed. Work has started on foundations for the permanent shaft house and compressor building, while foundation for sinking hoist has been finished and sinking headframe is about ready for erection.

Diamond drilling in three months to Sept. 30 totalled 16,057 ft. and 58,883 ft. in first nine months of year. Drives on 200 and 900-ft. horizons totalled 2,623 ft. in the three months.

COMMANDER RED LAKE MINES says that preliminary surface mapping has now been completed, and the company is awaiting arrival of a diamond drill to do further work.

Ontario Security Commission Options

Company:	Underwriter:	Purchased (Underwritten) Shares	At c.	Date	Option No. Shares	Received Price Range c.	Capitalization Author. Shares	O/s Shares	Accepted
Can. Beryllium Mines & Alloys	Shs. to be sold through brokers on basis of 75% to treasury. Co. holds security issuer's registration.						3,000,000	1,294,380	Oct. 17
Payne Yellowknife G. M.	Mas Holdings	200,000	25	Sept. 30	200,000	75	3,000,000	1,731,600	Oct. 17
Bouzone Mining Corp.	Robert Brown	100,000	5	Sept. 30	900,000	7½-20	3,000,000	1,600,005	Oct. 17
Silver Lake M.	A. M. Greenway	500,000	5	Sept. 29	1,000,000	7½-10	3,000,000	1,000,005	Oct. 18
Sullimaque Goldfields	A. C. Stubbert	150,000	10	Sept. 30	800,000	17½-31	3,500,000	1,100,005	Oct. 16
Trans-Canada M.	E. M. Barrett†	......	..	Oct. 7	910,000	10-75	4,000,000	2,690,005	Oct. 17
Tresdor Larder M.	T. J. Corbin	100,000	..	Sept. 25	1,000,000	5-15	3,000,000	1,000,005	Oct. 15

†Optionee.

AMENDMENTS TO PREVIOUS AGREEMENTS

Accepted for filing: Hiskerr Gold Mines, Vicour Mines.
Extended: Bonmartic Mines, Redpointe Gold Mines, Rypan Por cupine Mines.
Assigned: Penwood Gold Mines. **Cancelled:** Zakor Gold Mines.

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Market Comment

Both Canadian and U. S. stock markets continued to drift downward this week in easy, unhurried action. A considerably increased note of resistance, particularly in the earlier part of the week, has been held up by several investment analysts as denoting a market situation which could quickly react upward to any favorable report of wide significance. However, as the Dow-Jones industrial average drifted dangerously close to the Oct. 9 industrial low of 163.12, the volume on the New York board picked up again.

Next week's U. S. elections and their bullish significance, if the widely anticipated Republican victory materializes, are called by many analysts to bolster the market over the next few days, until the actual results are in.

Broadly speaking the market continues burdened with uncertainties. There is a definite lack of demand for stocks of all kinds in both countries pending clarification of the labor picture and government regulations pertaining to industry. There is a general feeling among most investors that industry has been jockeyed into a highly vulnerable position, where even small interruptions in operating schedules could result in sharply increased operating losses. Over a period of time, the decline in the general production level is likely to result in an improved labor market and in increased plant and labor efficiency, they realize.

The apparently very premature Walter Winchell report on the upward revision in the price of gold, at least brought the industry's plight into the limelight.

Barron's: The Dow Theorist (New York) "Breaking through the Oct. 9 lows would mean an extension of the primary trend, under Dow theory, although the extent of such further decline would not be indicated. However, a halt of the decline above the Oct. 9 lows and then a rally to above the Oct. 15 highs, would signal a secondary uptrend in a primary bear market. According to precedent, such a secondary trend would recover one-third to two-thirds of the decline in the last primary downswing, which would suggest an extension of the recovery to above 180 for the industrials and above 52 for the rails."

• • •

Barron's: The Trader (New York) "Marked shrinkage in activity accompanying the latest market setback denotes the ebbing of liquidation to be expected after a decline which had wiped out all of the gains since V-J Day, and which had established a new low for brokerage borrowings. Imperviousness to bad news is just as marked a characteristic at the moment as the apathy toward brilliant earnings statements and rising dividends."

• • •

New Highs and Lows

During the week ended Oct. 25 there were three new highs recorded among the "general" stocks traded on Canadian stock exchanges, and 21 new lows. In the mining group there was one new high and 38 new lows. No new highs and three new lows were recorded in the oil stocks.

GENERAL
New Highs—1946

Ang. Can. Tele. — Lake of Woods pf. — Marcus Loews pf.

New Lows—1946

Andian National, Argus Corp., B. C. Packers pf., Can. Packers B, Cal. Power pf., Can. Vinegars, Com. Alcohols, Cond. Nat., Distill. Seagram pf., Dom. Electro., Dom. Scott. Invest., Donohue, English Electric, Frieman, A. J., Int. Metals, Lewis, Mitchell, Robt., North Star Oil, Orange Crush pf., Union Gas, Westeel

MINING
New Highs—1946

Rush Lake

New Lows—1946

American Y'fe., Bankfield, Coin Lake, Colomac, Con. Beattie Warr., Delnite, Discovery Y'fe., El Sol, Federal, Frobisher, Hard Rock, Hasaga, Headway, Heva G. M., Indian Lake, Int. Uranium, Lamaque, Little L. L., Newnorth, Nicholson, Norbenite, Northland, O'Leary, Paymaster, Porc. Reef, Preston E. D., Red Crest, Richmac, Santiago, Sannorm, Sigma, Silver Miller, Silbak Prem., Starrat O., Towagamac, Union Mining, Ventures, Ymir Girl

OILS
New Lows—1946

Dalnoosie, Pac. Pete, Roxana

NICOLET, QUE. last week sold $160,000 of serial bonds to the Caisse Populaire de Nicolet at 99.80, to cost the municipality 2.902%. Nearly two thirds of the proceeds is earmarked for redeeming before maturity 4½% bonds outstanding. The issue consisted of $38,700 2½% bonds maturing up to 1956, $51,800 of 2¾% bonds 1957 to 1966 and $69,500 of 3% bonds 1967 to 1976. Bonds, dated Sept. 1, may be redeemed by anticipation.

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Two-bit War Factory

25c. Was All It Cost to Rent Factory Space in Fabulous Casa Loma—Even City Council Didn't Know What Was Going on Behind Stable Doors

By RONALD WILLIAMS

Toronto citizens were let in on an intriguing war secret last month. Through three years of World War II, Canada's greatest real estate "white elephant," fabulous Casa Loma, had housed a secret war plant which turned out 600 hush-hush submarine detectors for the fighting ships of Britain and Canada.

The story was a natural. While hundreds of couples danced nightly in the Great Hall of Toronto's $2 million castle and thousands of tourists inspected it daily (Casa Loma is still the city's prize sight-seeing attraction) 20 skilled war-workers, sworn to secrecy, were toiling night and day, coming and going like ghosts, to assemble $2 millions worth of the British Admiralty's top secret weapon.

But there are wheels within wheels and secrets within secrets. The complete inside story of this stranger-than-fiction operation is even more fascinating than the facts that made newspaper headlines. It contained Oppenheim-like fillips like this:

1. The secret war plant was located in the castle stables and carriage room which originally cost $250,000 to build.

2. At one point during the conducted tour of visitors, only a cheap padlock lay between inquisitive tourists and the Admiralty's secret.

3. Even the Toronto City Council, which owned Casa Loma, was kept in complete ignorance of the plant's existence.

4. The plant was acquired at a rental cost of only 25c.

Central figure in the wartime drama was William Edward Corman, president of Corman Engineering Co., Toronto. Corman, who owns his own business, is 60 years old, looks 50, acts 35. He has a mop of silvery grey hair, bushy grey eyebrows and tremendous determination.

His business is his life. It's the fulfilment of an ambition born 42 years ago—the goal he had his sights on when he quit school at 13 to work on a Wentworth County farm and a year later in the old Gurney-Tilden lock plant in Hamilton, for $2.50 a week. And it was his reputation for ambition and unquenchable enthusiasm that led to his being chosen by the Admiralty for what may now be styled "Operation Casa Loma."

Typical of Corman's direct methods in business was the way he set up his war factory in the castle without its owners being aware of the fact.

Keeping it Dark

The gargantuan building, erected in 1910 by the late Sir Henry Pellatt, amateur soldier, professional financier, who made and lost three fortunes, is owned by the City of Toronto. It was taken over for non-payment of taxes in 1933.

But civic officials were not told what was going on. They weren't consulted when Corman got the idea of assembling the sonic detectors in the castle stables.

The only person he spoke to was an official of the Kiwanis Club of West Toronto who gave him permission to go ahead even though he had no right to give it. One look at the top priority order Corman waved at him, authorizing him to take over any building he needed, was enough to convince him he shouldn't be too worried about the legality of his decision.

So for three years, workmen toiled in the stables which once housed 41 of Sir Henry's horses. Technical experts from the British Admiralty tested and approved the units. Then they were crated and shipped to Halifax for installation in naval craft.

The detectors were Britain's last hope of successfully combatting the Nazis' undersea warfare which at that time was at its peak. History proved how successful they were. Torpedoings began to drop and Britain began to get the upper hand on the sea.

Then came V-E Day. By some strange coincidence the last detector was crated and shipped an hour before the whistles began proclaiming victory in Europe. It was to be expected that the vital part played by Casa Loma would then be made public but for an almost comic reason, it was kept secret for more than a year.

White Elephant's History

Ever since 1923, when Sir Henry decided to move out of lavish Casa Loma into a small apartment, people had been trying to profitably use the 100-room castle with its pinnacled towers and gables. It failed as an exclusive private hotel. It sent Glen Gray and his orchestra on to fame as the Casa Loma Band, but flopped as a ballroom.

In 1933, with $30,000 in taxes owing, the city took it over. Until 1937 all sorts of fantastic schemes and grandiose ideas were suggested. Someone hinted at a monastery; Henry Ford was said to be thinking of turning it into a museum; somebody wanted to give it to the Dionne quintuplets. Finally the city started to talk seriously of tearing the place down. Old Sir Henry stopped that when he said it would take dynamite to blast the walls apart.

Then the Kiwanis club of West Toronto made an offer. They wanted to convert the famed castle and its romantic background into a sight-seeing attraction; a conducted tour for 25c., the city to get 25% of the gross take, the rest to finance the club's program for underprivileged children. The deal went through and since then close to one million persons from Canada and the United States, have inspected the 250-ft.-high structure.

Thus we come up to 1945 and V-E Day and a choice secret just itching to be spread around. Corman, the engineering genius, who built the detectors, had no objection but the Kiwanis official who'd given Corman permission to use the building when he didn't have it to give, did. He was thinking of the future. The club's lease was coming up for renewal in 1946—about two weeks ago—and he was afraid that the city fathers might balk at signing with an organization which had hoodwinked them for three years.

The Secret Kept

The official explained the ticklish situation to Corman; if you say anything, we might not get our lease renewed. Politicians are funny people. Corman agreed not to say anything or if he did, not to mention Casa Loma or even Toronto. So for 18 months after the lid came off officially, no one said a word.

This brings the story up to Oct. 6, 1946. It's 8 p.m. and the announcer on the CBC network says: "The Borden Co. presents Canadian Cavalcade!" In a few minutes, Bill Corman is telling the Horatio Alger story of his life and in doing so, refers to his war work in a big Canadian city.

Next day the story was out. Toronto was identified as the city and the basement of Casa Loma as the place. Actually, it was the stables and carriage room, which are connected to the castle by a wide tunnel.

Corman was called for confirmation but, true to his pledge, he first denied it then, when it became obvious that the cat was out of the bag, he said, "So what?"

The damage was past by then. The Kiwanis club had already signed a new 10-year lease and weren't too disturbed. However, the club still maintains an icy silence on the matter. The best they'll do is promise to make a statement after a general meeting considers the whole affair.

And the Kiwanis fears of how the city might react were groundless. Mayor Robert Saunders publicly indicated he was perfectly happy to have been ignored as long as it helped the war effort.

Enter the Admiralty

Use of the architectural colossus as a war plant had its immediate beginning on a warm day in 1942. Key figure, besides Corman, a silvered-thatched bundle of energy, was a Mr. Pugh. He was ushered into Corman's office on Richmond St. W. in Toronto one day four years ago. He was unassuming, retiring and under his arm he carried a case in which engineers packed blueprints. He was from the British Admiralty, he announced, and had a big job for Mr. Corman.

He unrolled his blueprints. One of them, showing the complete assembly, covered an entire wall of the office. Corman, a graduate mechanical engineer, University of Toronto, 1909, took one look and shook his head. His specialty was doing jobs other firms wouldn't tackle but this was too much, even for him. At least he thought so at the time.

At a glance, he saw the unit was 16 ft. high. That meant a building with ceilings at least 18 ft. to allow head room in assembling. And as far as he knew there weren't any vacant buildings in Toronto with ceilings that high. Average ceiling height is around 12-14 ft. That fact was to later have an important bearing on his decision to use Casa Loma.

"Whatever that is," Corman said to the Admiralty man sometime later, "we can't build it." Then he got up and took a closer look at the huge drawing. He began asking questions prompted by his life-long insatiable desire to learn everything possible about machines. He admits he has a "mania for machines," especially new ones and the one Pugh wanted built was all of that.

It was based on a principle evolved during the first war but perfected during the second. Production of the detector got under way in Britain during the blitz and the Admiralty decided to move out before they were bombed out. Pugh was packing his blueprints when it happened. A Heinkel scored a direct hit. A week later, Pugh was on his way to Canada.

Why did he call Corman? Nobody knows. Perhaps the Admiralty had heard of Corman being a legal "expert" on cases involving complex mechanical questions. He has given evidence on scores of occasions; fee, $100 a day. One of his most important cases involved an amusement ride accident which was fatal to some of the riders. Perhaps the Admiralty had someone check on his ability to do jobs other engineering firms turned down or on the way he has climbed the ladder to success.

"You're Going to Do It"

Corman shook his head again. Then both sat down and talked engineering for a couple of hours. Finally Corman offered to drive Pugh around to other shops. Perhaps they'd find someone prepared to tackle the job. Pugh said, "Thanks, but I don't think that will be necessary. You see, you're going to do it." And that's the way it was. Two days later, Corman had authority from Ottawa to take over any plant or building or build if necessary, to get the job done.

That's when Corman leaned back in his chair and asked himself the $64 question; where can I get a building with ceilings at least 16 ft. high and which won't attract attention? There weren't any. He could enlarge his own plant or build right across the road but both would have caused a raising of eyebrows and first thing, the secret would be out.

Then he thought of Casa Loma. Right away he called a Kiwanis club official he knew. He didn't tell the official what he wanted. He just said he'd like to look around and would he come along. The official went and both paid their 25c. for a conducted tour. That was the only money expended on what could be called rent during the three years Corman used the stables.

That part of the building Corman was interested in was at the end of the tour but he took in the whole thing—professing interest in the high-vaulted rooms, the huge bathrooms which once had silver-plated fittings, the winding staircase to the tower, the fine marble imported from Italy, the broad lawns and finally the tunnel under the road from the castle proper to the stables and carriage room. Now his interest was real. Just the thing. High ceiling, area 320 ft. x 70 ft., good floors and nobody need know.

There and then, he told the Kiwanis official what he wanted; showed him his top priority order. The Kiwanian demurred. The club didn't have authority; only city council could say yes.

Finally the Kiwanian agreed and Corman took over without signing his name once. It was a pact between an official of the Kiwanis club, Corman and Pugh, and in time, the 20 specially selected employees who came and went like wraiths, never more than one entering or leaving at the same time.

Before long Corman had nine plants in Toronto building detector parts, in addition to his own shop which was working 'round the clock. Other manufacturers made the electrical units. Soon the various sub-assemblies began flowing into Casa Loma. They came by night in trucks or in the back of a car. British Admiralty specialists arrived to test and approve the equipment.

Costing Trouble

Then Corman had costing trouble. Ottawa wanted a price quoted. Up until now, every cent for financing the project came out of Corman's own pocket. Now the war is over he can look back and say honestly that he didn't make a five-cent piece out of his war contracts, nor build plant additions with government money.

He had no idea of what the unit would eventually cost so he asked Pugh's advice. In England, they'd cost $5,000, Pugh said. Corman's nationalistic pride, nutured by four generations back to his Empire Loyalist antecedants, surged. If an Englishman can build it for $5,000 Corman could do it for $4,500. That's the price he quoted.

A year later, he discovered he was making them for $2,300. Down to Ottawa he went, to get a price adjustment. Ottawa didn't believe he could make them for $2,300 and even if he could, wasn't too keen about upsetting the bookkeeping system or admitting that they'd approved a price that was too high by 50%. Corman was insistant and in a dramatic gesture, whipped out a cheque for $310,000—a refund on units already paid for at the old price. By the end of the contract, he had the price down to $1,800.

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Capital Change for Cdn Food Products

Shareholders of Canadian Food Products, at a special general meeting to be held in Toronto this week will be asked to approve a by-law providing for a change in company capital setup.

It is proposed to change the designation of the present preference shares from 5% $100 par cumulative redeemable sinking fund first preference shares to 4½% $100 par cumulative convertible redeemable preference shares. It is also proposed to increase the company's capital by creation of an additional 25,000 $100 par 4½% preferred shares and 200,000 no par value common shares, bringing authorized capital to 50,000 preference shares, 100,000 class "A" shares and 500,000 common shares.

The additional capital is to reimburse the company's treasury in part for recent acquisition of control in Willard's Chocolates and for contemplated future expansion, an official informs The Financial Post.

The new preference shares provide for cumulative preferential dividends at 4½% per annum. The new shares will be convertible into common shares up to Nov. 1, 1951, on the basis of four common for each preferred share, and thereafter to Nov. 1, 1956, on the basis of three common for one preferred. The preference shares will be redeemable on 30 days' notice at 103 and accrued dividends.

CANADIAN CANNERS LTD. informs Montreal Stock Exchange that as at Oct. 20, 1946, the following shares were outstanding: first preferred, 190,559; convertible preferred, 316,606, and common, 176,180. Up to and including Oct. 20, there had been 38,194 shares of convertible preferred stock and 236 first preferred stock exchanged for common shares.

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Securities Commission Explains Newest Decisions on Licenses

Herewith are the written statements of the Ontario Securities Commission, giving reasons for cancellation of brokerage and salesmen registrations and for not granting registrations on appeal.

G. Beresford Powell

Pursuant to investigation order of Aug. 12, 1946, the above-named broker was examined under oath as the result of certain complaints laid with the commission.

In the chairman's opinion the evidence discloses that Powell's methods of doing business are those of one who has failed to appreciate his responsibility to the investing public. His investigation of deals appears to be pretty perfunctory. His technique in the main apears to be to sell a certain amount of the cheap option stock at a profit to himself and then drop the deal or allow it to peter out.

In addition to this, his circularizing is of the reckless type. On his own admission some statements made have been definitely false, though he claims this was done through error.

The chairman being of opinion that upon the whole this broker's irresponsibility is such that he should not continue to enjoy registration, the registration is herewith cancelled. The broker has the right to ask that this decision be reviewed by the full commission.

• • •

Ernest Brown

Mr. Brown was granted a rehearing following the decision of the full commission, dated May 9, 1946, cancelling his registration as a broker.

He has not produced any further evidence nor does he dispute the correctness of our former findings, but is fortified by letters from several former customers, who have profited substantially through dealing with him. These customers, who purchased industrial stocks at a wartime low, could not fail to make a profit, if they were able to retain their holdings. The complaint which resulted in the cancellation of the broker's license came from persons who checked these transactions with the prevailing market prices and disclosed that the broker, acting as a principal, had been taking an unconscionable profit. The letters mean nothing except that the authors are content with the result, either because they are not aware of any irregularities, or being aware they are content to overlook such irregularities in view of their resulting profit. The commission, having regard to its duty to the investing public, is not free to adopt this point of view.

Applications for a rehearing should be discouraged unless some special circumstance is advanced. We have already indicated in the Gamble application, in which fresh evidence was introduced, the basis upon which a further hearing may properly be granted. The application of Mr. Brown for reinstatement as a broker is refused.

• • •

Robhill Prospecting Syndicate
R. E. Allan

Registration of the Syndicate herein was refused on the grounds that Mr. Allan, the prospector and proposed manager has been guilty of conduct within the intent of Section 19 of the Act as amended by Section 2 of 10 Geo. VI., Chapter 86. An appeal was taken to the full commission.

Mr. Allan was registered as a salesman off and on from June, 1933, to July, 1938. From the number of times he either abandoned his registration or allowed it to lapse, we take it that he did not engage in the sale of securities very extensively. He abandoned his registration in July, 1938, following a serious complaint, made to the commission in June. The complaint does not arise out of his activities as a salesman, but is solely related to a private venture he and an associate undertook. It is described as surface mining in the Cobalt area. It was a shoe-string operation financed almost entirely by the complainant, who advanced $5,150 in 13 installments ranging from $100 to $1,000 over a period of about 15 months. The details of how they involved this unfortunate person to this extent are not important—the entire transaction is indefensible. There was no attempt to conduct the transaction along business lines, and if the venture had proved successful, the strict legal rights of the complainant would be largely a matter of speculation.

The lack of any semblance of business methods is in itself an important factor, when the wide powers vested in a prospector and syndicate manager are considered. There are few, if any, legal combinations which place any greater trust in the integrity and discretion of a single individual. The last record we have of Mr. Allan is the abandonment of his registration in 1938 following the complaint of the same year. He now wishes to re-enter the field at an age when the average man is contemplating retiring. We would be weighing our duty to the public lightly if we granted his request. It is in the public interest that his appeal be dismissed.

• • •

Fred C. Small

On Aug. 9, 1946, Fred. C. Small pleaded guilty in the London City Police Court to a charge of selling securities without being registered and was fined $500 and costs.

Mr. Small had enjoyed continuous registration as a salesman with the Commission from 1937 to March, 1943. He was registered again for 1943-1944 but was inducted into the armed forces on N.M.R.A., call, Feb. 9, 1944. He received his discharge on Apr. 13, 1946.

On March 26, 1946, McManus Petroleums applied for registration as a security issuer and also on behalf of Small and four other salesmen. Registration was granted the company on May 10, 1946, to one of the salesmen on May 8, 1946 and to two others on May 14, 1946. There was some delay in the case of another salesman due to the fact that no surety bond was furnished. When it was furnished it had to be returned for correction with the result that final registration did not go through until July, 1946. It must be kept in mind that Small's application was not for renewal of his former salesman's registration but for a new registration. The fact is that his former employer, a brokerage house in London, during the time Small was in the army wrote the commission requesting that Small's registration be cancelled.

When Small's application was received the investigation department proceeded to investigate thoroughly his record as a security salesman and also his record in the army. During the course of such investigation it was learned that Small, when he was in the army on farm leave, had been selling securities without registration and this was the substance of his former employer's complaint. It was also established that after his discharge, although Small did not enjoy registration, he had been carrying on for some months selling securities. That he did this knowingly is pretty well established by his admission during the hearing. The result was the prosecution in Police Court.

After his conviction he appealed to the full commission from the order refusing registration. We do not propose to go into details in connection with the evidence. His record between 1937 and 1943 is not without blemish. He knew he was "doing wrong" when selling securities while in the army. He also knew he was "doing wrong" when selling securities without registration after his discharge. His army record we shall not deal with here. If he cares to appeal, it will be found fully covered in the transcript of the evidence taken before us.

We have said on many occasions that the mere fact that a man has had a conviction is not an absolute bar to registration. We believe in this case the matter goes deeper. On his record generally and on our estimation of his evasive tendencies as evidenced on the hearing before us, we do not deem it in the public interest that he should have registration.

• • •

Irving Spellman

Mr. Spellman appealed to the full commission following the refusal of the commission to transfer his registration as a salesman.

Spellman came to Canada from New York in 1934, following more rigid administration of securities laws in the United States. Like many others who came to Canada during this period, his previous record, according to information on file, is unavoidable. He was first registered as a salesman in Nov., 1936. Between then and July, 1945 his registration has been transferred over 30 times. During this period he was inactive for over a year due to illness. The number of transfers over a period far exceeds that of any salesman whose record has been considered by the full commission in the course of the current review.

Early in 1937 while employed by an Ottawa firm, he was discovered in a setup which had every appearance of a small scale boiler-room. He offered the explanation that there was not sufficient space in the broker's office to afford him adequate use of a telephone but Mr. Verity points out that Spellman did on occasion telephone from the broker's office. He was given a very definite warning concerning this venture.

In July, 1940, his activities were again before the commission respecting a telephone call to a private residence in contravention of the provisions of the Act. His employer apparently took the blame in this instance and the warning given in May, 1937, was not implemented.

Telephoning in itself is not an offense, however annoying it may be to the prospective customer. It does, however, lend itself to obvious abuses which are difficult to run down. The next complaint in order both furnishes us with an example of Spellman's methods. and demonstrates beyond reasonable doubt that a salesman operating as he did, is bound to be a menace to the investing public and a detriment to others who are trying to market issues according to decent standards.

His frequent transfers do not indicate that his services were unsatisfactory but rather indicate that the type of services he had to offer were in demand. A list of the brokers or ex-brokers who accepted his services is fairly revealing. A salesman who moves from issue to issue as Spellman did can have very little, if any, actual knowledge of what he is selling. Under these circumstances once he makes a statement outside the prospectus or the reports of engineers or other similar reports, he is exceeding his authority.

The first or second day he was with F. H. Marples and Co. he made the mistake of telephoning an official of the S.E.C., in Chicago. He states a trap was laid for him and appears to be shocked that a public official would resort to such tactics. That is a matter with which we are not properly concerned. A record of that telephone conversation has been preserved. In fact it was written up in Time magazine. It stands as an example of reckless high-pressure salesmanship furnished by a person who was virtually a stranger to Payco, the issue he was selling. Payco at the time, according to his own statement, was in the early stages of drilling but that did not prevent him from linking it up with proven mines such as Noranda and Waite Amulet. He now challenges the accuracy of the record, quibbling as to the use of the word manipulation and so forth, evidently on the assumption that if the record is taken to be inaccurate in certain details, it should be deemed to be false throughout. The telephone conversation is now a matter of history, and in substance we take it to be correct. His registration was suspended as of Dec. 3, 1940. He was reinstated on Feb. 20, 1941.

In Feb., 1942, a complaint was made by a resident of Ontario respecting representations made by Spellman over the long-distance telephone while the complainant was in Florida, in effecting a sale of a penny mining issue (Gold Frontier.) Spellman denied the charges at the time and succeeded in evading the consequences. Whatever the merits of the actual complaint may have been, the use of the telephone in this extravagant manner in connection with the sale of penny stocks, speaks for itself. It is simply a type of irrational high-pressure method, which has been most harmful to the promotion of legitimate mining ventures.

In 1943 an injunction was issued by the State of New Jersey enjoining him from selling stock in that jurisdiction. The complaints upon which the Attorney-General of New Jersey acted related to the sale of Gold Frontier. In Dec., 1944, a complaint was made by the crown attorney at London charging him with telephoning to a private residence in the London district.

Since July, 1945, Spellman, as we have already pointed out, has been employed by a broker who surrendered his registration as a result of the commission investigating his record. Over the period of years now under review he has used the telephone exclusively in order to effect sales.

Apart from the glaring example of his methods furnished by the SEC, he has fairly demonstrated his methods of selling, despite the difficulty of obtaining comprehensive information regarding the activities of telephone salesmen. We are not favorably impressed by his personal characteristics. In our opinion it is not in the public interest that his registration should be continued. The appeal is accordingly dismissed.

Obalski Nears Its "D" Vein

Shaft Down 277 Ft. — Surface Drilling Program Now in Progress

Obalski (1945), Chibougamau mining operation, is now engaged in lateral exploration following completion of shaft sinking to a depth of 277 ft., with levels at 125 and 250 ft., President J. R. Giroux reports.

Crosscutting and drifting are reported in progress on both levels and drifting is reported nearing the mineralized section in the "D" vein.

A diamond drill was flown to the company's Cache Bay property recently and drilling is in progress to determine if the fracture pattern extends through to the southeast. There is stated to be some indication that this is the case.

Further diamond drilling is also planned in the neighborhood of the ore occurrences in the shaft vicinity, Mr. Giroux reports. Some 70 men have been employed at the property, underground and at surface. An assay plant has been established and the management expects to receive regular progress reports by radio during the break-up and freeze-up periods.

President Giroux reports that the road into the Chibougamau area should reach Lake Chamacjouan this fall and that two thirds of the road would be finished at this point. Completion of this section will provide much lower transportation costs this fall and winter, it is stated. Construction of the road this season was handicapped by heavy precipitation in the north country in the spring.

LEXINDIN GOLD MINES advises that Doherty Roadhouse & Co. has underwritten 100,000 shares at 30 cents, payable forthwith and optioned 900,000 shares as follows: four 100,000-share blocks at 30 to 50 cents and 500,000 shares at $1, all exercisable by Apr. 1, 1948. Issued capital will be 1,603,005 upon issue of underwritten shares.

HARD ROCK GOLD MINES reports bullion production of $186,730 (including $7,478 from 730 tons stored concentrates) from 25,831 tons treated, an average recovery of $7.95 gold per ton, excluding stored concentrates.

WAITE AMULET MINES has declared a dividend of 25 cents a share, payable Dec. 10 to shareholders of record Nov. 8. This brings total payments for the year to 70 cents (75 cents in 1945).

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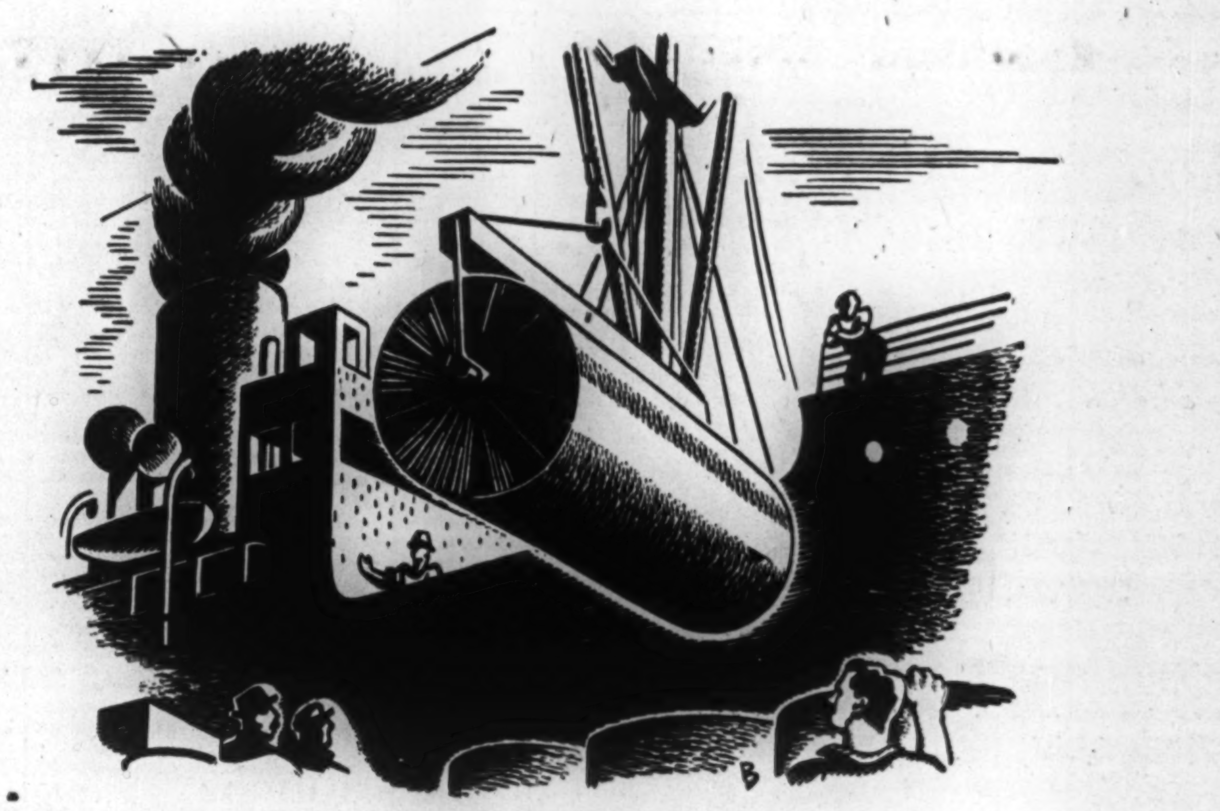

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HON. J. A. MACKINNON,
Minister of Trade and Commerce

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Jas. A. MacKinnon

Three-quarters of Canada's pulp and paper production is exported. Pulp and paper normally accounts for from 14 to 24 per cent of total Canadian exports. Their value exceeds that of meat, wheat, or gold. Pulp and paper now brings annually to Canada $300 million from abroad which is mainly paid out in wages to Canadians. To-day, every second newspaper page in the world is printed on Canadian paper.

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MINING INVESTMENTS

Report of $52 for Gold Touches Off Mart Rally

A report put over the radio by Walter Winchell Sunday night that a $52 price might be expected for gold—against the present price of gold—was apparently enough to touch off a market rally on Monday, although denials were forthcoming from official quarters long before the day was over.

In mining circles, it was pointed out that a rally had been possibly overdue and that there were possibly people who would believe Winchell no matter how many disclaimers of knowledge were put out by the Federal Reserve Board and the White House Press Secretary.

That the United States has apparently no immediate plans for an increase in the price of gold from $35, however, appears fairly obvious from a letter released by Secretary of the Treasury John W. Snyder some time ago. In a letter to Camille Gutt, managing director of the International Monetary Fund, Secretary Snyder is quoted as follows:

"In reply to your letter of Sept. 12, 1946, which was received the same day, I have the honor, on behalf of the United States Government, to inform the International Monetary Fund that the par value of the dollar is 15 5/21 grains of gold nine tenths fine (or $35 an ounce for gold).

"The United States Government desires that the par value here communicated shall be the par value of the dollar for the purposes of the Fund as mentioned in Article XX. This par value of the dollar is therefore communicated to the Fund for all territories and possessions of the United States."

* * *

An Optimist On Gold

Those who see in an ultimate increase in the price for gold a chance for Canadian gold mining to secure return of pre-war "health," can perhaps take comfort from a speech of Donald H. McLaughlin, President of Homestake Mining Co., to the American Mining Congress in Denver City.

Mr. McLaughlin expressed his confidence in gold's long-term future, but deemed a price increase improbable so long as United States Government is trying to combat inflation. He believes that an increase in price seems inevitable if United States continues to require a so-called favorable balance of trade. He urged the movement of gold in international commerce and domestic issuance of gold coins with a fixed gold content, but no specific dollar value. The United States vast investment in gold calls for support of its value, Mr. McLaughlin declared.

* * *

Praises Mine Safety Work

Admiration for the joint work completed by the Ontario Department of Mines, a government-appointed committee of faculty members of the University of Toronto, and an industry committee of the Ontario Mining Association, in investigating the cause of the shaft "rope failure" at Paymaster Consolidated Mines, is expressed by the Engineering & Mining Journal, McGraw-Hill, New York, in its October issue.

"Industry's all-out support is evinced by the fact that 48 mining companies in the province conducted and recorded 116 tests in which cages were actually dropped to determine the effectiveness of various safety devices under different loads and conditions," the Mining Journal notes. "Thirty-one types of safety dogs are illustrated in the report, some of which embody original ideas not generally adopted. Every designer of shaft equipment should familiarize himself with the 21 desirable characteristics of cage safety devices which the committee approved."

* * *

Glaciers & Mining

Because a glacier has receded in British Columbia, that province may have a new silver producer!

Recession of a glacier on Mount Ranney has permitted surface exploration indicating an 800-ft. extension to the Silverado vein on the property of Big Four Silver Mines, Portland Canal Mining Division, British Columbia.

The zero tunnel of Big Four Silver Mines is now being extended to the Silverado group into Prosperity and Porter Idaho ground. When its objective is reached, a raise will be driven to connect with former workings from which extensive quantities of silver were mined in previous operations. The company has plans for a 200-ton mill to be built in the town of Stewart and connected with the Silverado portal by tram line. Mine manager is E. G. Langille, formerly on the staff of Silbak Premier Mines.

Dominion Names Mines Tax Body

A Cabinet committee composed of Mines Minister Glen, Reconstruction Minister C. D. Howe and Finance Minister J. L. Ilsley is to study the question of mine taxation as a result of representations made to the Dominion Government by provincial mines ministers.

The provinces, while admitting that they do not agree entirely among themselves on the form of taxation that should be followed, have submitted to Mines Minister Glen that the present principle of applying corporation taxation designed primarily for other industries is unfair. hTe provinces had proposed establishment of a royal commission to investigate the matter but Mr. Glen has suggested that consideration first be given by a Cabinet minister.

Lapaska Calling Tenders on Shaft

Tenders are now being called for shaft sinking on the Louvicourt twp., Que., property of Lapaska Mines, officials state. Diamond drilling of more than 70 holes has indicated two probable ore-making sections about 3,000 ft. apart. Results on the central section have been more complete, and it is on that ground that shaft will be sited.

The central section has been extended to a total length of 1,700 ft. and has been probed by 16 inclined holes and vertical holes, it is stated. Drilling has indicated a stringer zone 90 ft. wide, dipping slightly south with values within the zone associated with the flat-lying south-dipping quartz tourmaline veins. It will require underground work to fully appraise the significance of these intersections.

Company reports cash on hand of approximately $200,000 and options, if exercised, will raise a further $285,000.

Osisko Lake Spikes Rumor

There is no foundation to the rumor that Noranda Mines is drilling from its 7th level into Osisko Lake Mines ground, President W. B. Maxwell tells The Financial Post. However, Noranda has agreed to extend its 2,475-ft. drift into the Osisko Lake property when men are available, and it appears that drifting might get under way by the winter.

Osisko Lake carried out some geological work on its 340 acres in Rouyn twp., Que., this past summer in preparation for conducting a deep drilling program through the ice of Osisko Lake this winter.

Financial statement showed current assets of $301 and current liabilities of $6,386 at Dec. 31; but through an offering of rights to shareholders in 1946, the treasury netted $987,878.

Vinray Malartic May Undertake Shaft Job

Vinray Malartic Mines is seriously considering advisability of sinking a shaft in order to give an opportunity for underground exploration and development of its own and adjoining Vincent Mining Corp. ground.

Diamond drill hole V-45 returned $8.05 from 458.6 to 460 ft. Hole V-46 has been completed to 881 ft. and hole V-47, 600 ft. to east, which will cross two diorite anomalies, has gone down to 472 ft. Complete assays have not yet been received. On completion of hole V-47 the drill will be moved off the property and drilling with Bradnor Malartic will be continued along south band of diorite on south boundary.

OIL PRODUCTION

Two Oil Fields May Be Joined

From Our Own Correspondent

CALGARY — A 2½-mile northwest extension of the Lone Rock (Saskatchewan) oil pool and the possibility of a linking up with the Lloydminster field 12 miles northwest to form one continuous oilfield at least 23 miles in length was indicated last week end by results at Oil & Gas Development No. 3.

The well halted coring at 1,888 ft. after penetrating 8 ft. of oil-saturated sand, core and electrolog indicating commercial probabilities.

The well is about nine miles southeast of the current southeast producing limits of the Lloydminster field; 2½ miles northwest of the Lone Rock Discovery well, Husky-Oil & Gas Development No. 4, which was completed a month ago; and is 4½ miles southeast of the D. B. No. 1, another key-test which completed drilling in October with commercial production indicated.

At time of writing, Withers-Lone Rock No. 1, 2½ miles southeast of the Husky discovery, was coring for the sand, with hope of further extending the oil area in the immediate future.

The No. 3 well was drilled to 1,775 ft. by Oil & Gas Development in 1945, was then suspended. It had halted just 100 ft. short of an oil discovery.

* * *

Royalite Well a Good One

Royalite-Lowery No. 6, recent northwest flank completion in Turner Valley, has been assigned its initial production allotment, with rating as a better-than-average oil producer. Initial allotment is 13,500 Mcf of gas per 30 days, permitting oil production of between 9,300 and 9,600 bbls. per 30 days on basis of gas-oil ratio of 1,430 cu. ft. per bbl. (ration on which quota was based).

Royalite-Lowery No. 6, after light acidizing, showed an open flow potential of 586 bbls. daily.

* * *

New Well Survey Service

The Schlumberger Well Surveying Corp. has decided to extend its services to western Canada, following a four weeks' survey of oil and gas operations in the West by the company's A. A. Perebinossoff of Houston, Texas. Schlumberger Corp. and its international units are reported the largest operators in their field.

The first "Slumberjay" unit for western Canada will arrive early next month and will base at Lloydminster by Nov. 10. C. W. Bailey, a "Slumberjay" operator in East Texas, will be in charge of the Lloydminster unit. Perebinossoff will establish Canadian headquarters for the firm at Calgary.

Initial services available will include electrical well logging; depth determinations; geophone surveys; and side wall sampling. Additional services which would be made available when and if required, include dipmeter surveys; gun perforating; radioactive markers photoclinometer surveys; and temperature surveys.

New Imperial Provost Test

Imperial Oil announced last week that location for Imperial-Provost No. 6 has been made. Rig from the Provost No. 5 is now being moved in. with spudding slated in the near future. The well seeks westward extension of the Viking sand gasfield established at Imperial's Nos. 1 to 4 wells, and the Lower Cretaceous contact oil sand tapped at the No. 1 well. The No. 6 is located five miles west and about 1½ miles north of Imperial-Provost No. 1, is 4¼ miles west and quarter of a mile north of No. 2.

Sullivan to Extend Shaft Three Levels

In view of important ore disclosures by diamond drilling between the 1,700 and 2,200-ft. horizons, Sullivan Consolidated Mines has decided to extend its No. 2 shaft for a further three levels, Pierre Beauchemin, managing director reports. This opening is at present down 1,750 ft. Work is to proceed as soon as labor conditions permit.

A diamond drill hole exploring the walls of No. 4 vein has intersected a new structure 100 ft. east of the present workings with a width of 15 ft. averaging $11.86 gold per ton.

Production in the third quarter ended Sept. 30, 1946, amounted to $200,109 for an average recovery of $7.48 a ton. This compared with $248,104 for an average of $8.47 the preceding quarter.

MINING CONCENTRATES

HOWE SOUND CO. reports net income of $222,658, or 48 cents per share in three months ended Sept. 30 ($601,340, or $1.30 in first nine months of 1946). Bullion production totalled $1,920,302 in the three months and $6,467,946 in the nine months. A strike was declared at the Britannia property in British Columbia on July 3 and remained unsettled at the close of the quarter. Expenses amounting to $156,751 were included in operating costs of $1,014,495.

* * *

HOSCO GOLD MINES has received payment on 10,000 shares at 50 cents. Issued capital—2,960,000 shares.

* * *

HOTSTONE GOLD MINES has put down eight diamond drill holes on property to date for a total of 4,517 ft. Drilling so far has traced two favorable structures for a length of 1,400 ft. and has returned commercial assays in hole 8.

* * *

MADSEN RED LAKE GOLD MINES bullion output totalled $298,507 from 33,310 tons of milled, an average recovery of $8.96 gold per ton in three months ended Sept. 30 ($241,135 from 30,321 tons and average of $7.95 in June quarter). Production from commencement of operations on Aug. 11, 1938, to Sept 30, 1946, amounted to $9,659,611 from 1,082,600 tons treated an average recovery of $8.92.

* * *

MATACHEWAN CONSOLIDATED MINES reports estimated net profit of $30,956 in three months ended Sept. 30 ($24,741 in similar period of previous year). Net income from metals produced amounted to $183,465 ($128,917). Ore milled totalled 50,563 tons (33,210).

MINING CONCENTRATES

ELDER MINES advises that an underground flat hole drilled from 600-ft. level to cross-section No. 1 vein 50 ft. ahead of present west drift face, has intersected the vein. The first 40 ft. so far sampled averaged 0.30 oz. and indicated a minimum true width of 12 ft. at this point, with additional sampling now in progress.

* * *

CENTRAL CADILLAC MINES muck samples from 200-ft. length of drifting carried out on the 3W-1 east drift have averaged $7.37 for the full length, company reports. Dewatering of winze is continuing and it is expected that crosscutting to shaft site on 625-ft. horizon will start soon.

* * *

DUKEL GOLD MINES plans diamond drilling its copper-nickel claims in Sudbury district as soon as financial arrangements can be completed. Surface assays range up to $6.97 per ton and a shear zone was reported traced for several hundred feet.

* * *

GOLDORA MINES advises that hole No. 70, drilled to 866 ft. to explore a big regional diorite dyke in northwestern part of property, revealed numerous veins containing appreciable values in gold and copper. Most important section from 237.6 to 239.2 ft. returned $2.97 gold and 1.66% copper. The dyke has an unexplorable length of 2,250 ft. from hole 70 to west boundary and length of 1,000 ft. from east of hole 70 not well explored.

* * *

KEWAGAMA GOLD MINES (QUEBEC) did no development whatever in 1945, but claims were kept in good standing. While good results were reported by companies operating on adjacent ground both to east and west, these developments are too far from the boundaries to be of immediate interest. Current assets were $13,871 and liabilities $88 at Dec. 31.

* * *

MCINTYRE PORCUPINE MINES reports net income of $925,697, or $1.16 a share in six months ended Sept. 30 ($1,172,352, or $1.47 a share in 1945 period). Net income totalled $458,880, or 68 cents a share in three months ended Sept. 30 ($468,817, or 58 cents in previous three months).

* * *

McKENZIE RED LAKE GOLD MINES has granted an option to the president and managing director on 30,000 shares at $1, exercisable at any time up to Oct. 18, 1949.

* * *

MARLON ROUYN GOLD MINES announces that three-compartment shaft has reached 366 ft. Third level station at 350 ft. is complete except for timbering. Shaft house is nearly complete and closing in of head-frame is under way. Heating equipment has been installed in the bunkhouse, residence, staff house, hoistroom and change house. Shaft cage is to be delivered about Nov. 15 and electric hoist is scheduled for delivery Nov. 1.

* * *

NEW BIDLAMAQUE GOLD MINES advises that R. T. Nicol has underwritten the offering of rights to shareholders to extent of 150,000 shares at 15 cents, to be paid for in three installments. In consideration of the underwritten stock he is granted an option on 299,995 shares at 20 to 40 cents a share. Shareholders of record Oct. 31 have been given right to subscribe to one additional share at 15 cents for each 10 shares held. Rights expire at close of business Nov. 19.

* * *

PANDORA CADILLAC GOLD MINES has not received payment covering Oct. 15 option installment on 200,000 shares at 50 cents a share and 200,000 shares at $1. No action has been taken by directors to terminate the agreement, and no notice of default has yet been sent.

* * *

ROYBAR CHIBOUGAMAU MINES is to carry out additional surface work on a new find on the Roy twp., Que., group of 44 claims as preliminary investigation prior to diamond drilling during the winter. Preliminary trenching disclosed heavy sulphide mineralization, containing copper and low gold and silver showings. Heaviest mineralization occurs at a vertical depth of 5 ft. below sparsely mineralized surface rock. Roybar is controlled by Leta Explorations, which is financed by Leitch Gold Mines and Moneta Porcupine.

* * *

UTICA MINES (1937) has arranged additional funds with a view to preparing the Slocan district silver-lead-zinc property for production next spring, with an initial capacity of 50 tons daily. Provision is to be made for stepping up mill capacity as development warrants.

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GAGE SECURITY GUMMED ENVELOPES

Croinor Ore 340 ft. Long, Still Open In Initial Work at 250-ft. Horizon

By GORDON M. GRANT

A total of 340 ft. of ore has been opened up in drifting at the 250-ft. level of Croinor Pershing Mines with both faces continuing in good ore, The Financial Post is informed.

Work to the east is continuing in ore in a section where surface drilling had made it appear previously that ore would not be found for a stretch of several hundred feet. The ore has widened out to the east with some diminution in grade. The west face is narrower and higher grade.

Sufficient detail work has not been done as yet on the 250-ft. level to provide data as to the exact gold content of ore opened. However, in the first 200 ft. the ore ran from 2 to 18 ft. in width and muck samples averaged 0.28 oz. gold per ton. Channel samples for the same length averaged 0.32 oz. gold per ton.

The management feels that the muck samples have conformed very closely with channel assaying when it is considered that the muck is taken across the full drift width. Distribution of gold has been very uniform throughout the vein, it is pointed out.

Drift at 125-ft. Level

At the 125-ft. level, the crosscut did not intersect the 201 vein being opened at the 250-ft. level. An underground diamond drill will be used to trace the 201 vein above the 250-ft. level and in the meantime drives have been started east and west from the 125-ft. level crosscut 10 ft. within the diorite toward drill intersections at this level.

Surface diamond drilling is continuing out to the west drilling "fill in" holes between the main and west ore shoots indicated in previous surface drilling. Two holes have been completed showing good looking sections which are now being assayed. Besides drilling "fill in" holes, the company plans deepening other holes which did not completely traverse the favorable diorite formation in the western sector.

Croinor has ore values in its diorite dyke as far as 2,400 ft. west of the shaft and the favorable diorite dyke extends about a mile further west on Croinor ground. (It then extends into Kenda Pershing which is controlled by Perron Gold Mines). Ore values extend as far as 1,600 ft. east of the Croinor shaft. This means that the company has a gold-bearing length of 4,000 ft. established. While values have not run ore grade along this full length, it is felt that the entire length is excellent prospecting ground. Croinor ore may occur in recurring lenses in a manner similar to that at Perron Gold Mines, present information suggests. The drilling to date may actually indicate three or four ore bodies or lenses. In sections which ran blank in shallow drilling, it is thought quite possible that ore values may come in at greater depth. The fact that drifting has been in ore to the east at the 250-ft. level in a section which had been inferred to be "blank" tends to confirm this theory.

Croinor and Kenda "Join Up"

Surface diamond drilling on the Croinor property has been coordinated with that on the Kenda Pershing property to the west and Herbert Parliament is in charge of the surface drilling on both properties. A program of surface diamond drilling has recently been laid out for the Kenda Pershing property which may be of considerable importance to Croinor.

Besides the main Croinor diorite dyke, other similar diorite dykes have been found on the Croinor-Kenda ground and further exploration of these for possible ore occurrences is to be undertaken.

Some time ago Kenda put down about a score of drill holes on the extension of the main Croinor dyke into its ground. Eight drill holes indicated a vein in the diorite dyke for a length of 1,100 ft., running in width anywhere from 1.7 to 13 ft. Values were generally low, No. 6 hole giving an assay of 0.18 oz. over 7.1 ft. Only three of the eight holes were drilled deep enough to cross section the diorite dyke completely. There was also a gap of 500 ft. between drill hole No. 1—on the Croinor-Kenda boundary—and No. 2 drill hole, which was not explored.

Mineralization of the vein was identical with that of Croinor. In view of the possibility of recurring ore lenses indicated at Croinor and the Croinor experience of finding a greater proportion of pyrite in underground work than was indicated by surface drilling, the Kenda management has decided that a further program of drilling of its section out of the Croinor dyke should be carried out.

New Holes Laid Out

Four holes are to be drilled at an angle of 45 deg. to a depth of 600 ft., spaced 300 ft. apart, and three further shallower holes will be put down to a depth of 360 ft. These holes will cut the zone at 250 and 125 ft. vertically. This program will test the "gap" left by previous work and will result in exploration of the dyke across its full width and varying horizons. Favorable results would improve the prospects for the Croinor's part of the dyke west of the shaft.

Three drill holes are now being put down on the Kenda north diorite zone which also extends into Croinor. In previous drilling a hole was put down on the boundary intersecting a diorite dyke with a width of 180 ft. A shear zone 9 ft. wide was intersected at about the centre of the dyke. Three drill holes will be put down to the east of the boundary hole at 500-ft. intervals.

There is also a south diorite dyke common to the two properties which was revealed as 230 ft. wide in a joint boundary hole. Further drilling of this dyke at 500-ft. intervals has been recommended. Considerable trenching was carried out on the Kenda side of the boundary.

Perron, besides holding control of Kenda Pershing through an option, also is understood to have an interest in Croinor Pershing. Dome Mines is said to have acquired a considerable interest in Croinor and J. G. McCrea of Dome is now on the Croinor board of directors.

Orlac Drive Cuts Ore 25 ft. Grades $10 - 12

A width of about 25 ft. of ore has been secured in the 225-ft. level crosscut at Orlac Red Lake Mines which preliminary sampling indicates to have a grade in the neighborhood of $10 to $12 to the ton, The Financial Post is informed.

Of the 25-ft. width, 8 to 10 ft. ran high grade and the balance ran medium to low grade, it is stated. The crosscut showed the ore zone to be much stronger and of better appearance than surface drilling had indicated, it is stated. It had been thought that the gold was contained in a series of quartz stringers but the gold has been found well distributed through a general silicified zone.

Below Drill Holes

The 225-ft. level crosscut intersected the zone about 140 ft. vertically below the intersections secured in holes Nos. 36 and 39. Readers of The Post will recall that hole No. 36 gave 2.11 oz. over 11 ft. while drill hole No. 39 gave a value of 1.52 oz. over 1.5 ft. or alternatively 1.10 oz. over 3.5 ft.

Plans now call for putting out drives parallel to the contact for exploration of the ore zone along its strike at the 225-ft. horizon.

Hydro power is expected to be turned on at the property within the next week or 10 days and this should facilitate the speeding up of development progress and should serve to reduce power costs.

About 75 ft. of further sinking is to be finished off to complete the shaft to the 500-ft. horizon and work will then proceed on other levels.

Assays of the ore zone at the crosscut comprised chip samples across the walls and back of the drive.

Permission has been given for the release of vendor stock held by Sanshaw Mines at the rate of 10% starting Nov. 1. In this connection it is reported unlikely that any of this stock will come on the market immediately as Sanshaw is not expected to make distributions to its shareholders on a similar 10% a month basis.

Alger Hits High Grade Pocket Hope For Ore Shoots at Depth

Drifting east on the fifth level at Alger Gold Mines has revealed coarse gold in two rounds in "C" vein with one high face assay of 51.14 oz. gold across 0.3 ft., The Financial Post is informed.

After two rounds, the vein, which is a persistent one, narrowed to a seam but at last report was widening out again.

The east drift on the "C" vein at the sixth level below is about 36 ft. behind the fifth level heading but should be in the same section shortly. At its present point, the vein shows minor amounts of quartz, it is reported.

Samples of the rich section from the fifth level vein reaching Toronto show practically a small ribbon of gold running through the rock. Further to the east, toward O'Brien, this coarse gold has not been encountered but there are pinpoints of gold showing in the muck as the vein widens out again.

Mine Manager M. J. O'Shaughnessy believes present conditions are favorable for location of high grade ore. In a report covering the period Oct. 1 to 15, he states:

"The "C" vein continued to hold possibilities of potential high grade ore. It has now been opened in a continuous quartz length for 225 ft. on the fifth level, with small pockets of coarse gold appearing intermittently for that length and it is continuing to the east with some improvement in width. On the sixth level it continues west of the crosscut and is improving in width to the east after narrowing to a very small seam.

"From the evidence disclosed to date, on the two new levels, there is a reasonably good possibility that the "C" and "B" veins will form a continuous vein for hard grade ore occurrences over a length in excess of 1,000 ft."

The visible gold has been found associated with coarse arsenopyrite and with pyrrhotite. Conditions are reported not unlike those at O'Brien Gold Mines to the east. The fifth level heading is now within 370 ft. of the east boundary.

It is expected that work in November to the west on the "B" vein at the sixth level will reach the area of the projected downward extension of the original high grade shoot found on the 150-ft. level. A raise is proposed on the "C" vein from the 850 to the 725-ft. horizon in a section of the vein in which coarse gold was found on both levels. It should disclose the ore possibilities of the structure and could reasonably open a small grade shoot, it is stated. Slashing is proposed during November on the fourth level in the main crosscut in the projected section of the "C" vein. The manner in which the "C" vein opened up on each side of the crosscut on the sixth level suggests that it may be similarly obscured on the old bottom level, Mr. O'Shaughnessy declares.

Work in recent months at Alger has disclosed much improved structural conditions generally and location of coarse gold in "C" vein of the fifth level has further raised hopes that high-grade ore similar to that at O'Brien's next door may be found.

Lingnora to Drill Ten Deep Holes

Ten drill holes are to be put down immediately by Lingnora Gold Mines, adjacent to Lingman Lake in northwestern Ontario, to intersect anomalies indicated by a recently completed geophysical survey, The Financial Post is informed.

Exploratory drilling on the company's 17-claim property has indicated some gold values and has given a great deal of data in regard to structural features of the ground. It is now thought that with the additional information supplied by the geophysical survey, a thorough testing of more promising areas is warranted.

Deep test drilling was decided on with the joint recommendation of M. G. Smerchanski and the company which completed the geophysical survey. Geological conditions similar to those found on the adjoining Lingman Lake property are stated to have been disclosed and the current program should prove whether these conditions may have also resulted in ore deposition on Lingnora. A diamond drill capable of operating to 1,200 ft. is on the ground and the program is expected to be completed within 60 or 90 days. Ample funds are reported in the treasury for the work.

Canadian Mines Book Now Being Distributed

The Canadian Mines Handbook. Northern Miner Press, 122 Richmond St. W., Toronto 1, Ont., has now been issued.

An increase of over 200% in active companies compared with 1943 is noted, illustrating the expansion of mining work throughout the Dominion. Quebec is found to remain the most active area with the largest number of newly initiated operations. Following closely is Yellowknife while British Columbia has also become extremely active. Of 530 new incorporations listed, no less than 444 were organized in Ontario embracing operations in every mining province of the Dominion.

A total of $30 millions in cash was reported in the treasury of new companies a year ago and this amount has since shrunk a third. Personalized copies of the book are reported available at $2.

SURF INLET CONSOLIDATED MINES has not received payment covering balance of Oct. 15 option installment comprising 165,145 shares at 50 cents. Request for an extension of the option is to be considered by directors.

EL SOL GOLD MINES has received payment covering an additional 275,000 shares at 15 cents. Issued capital — 1,819,905 shares.

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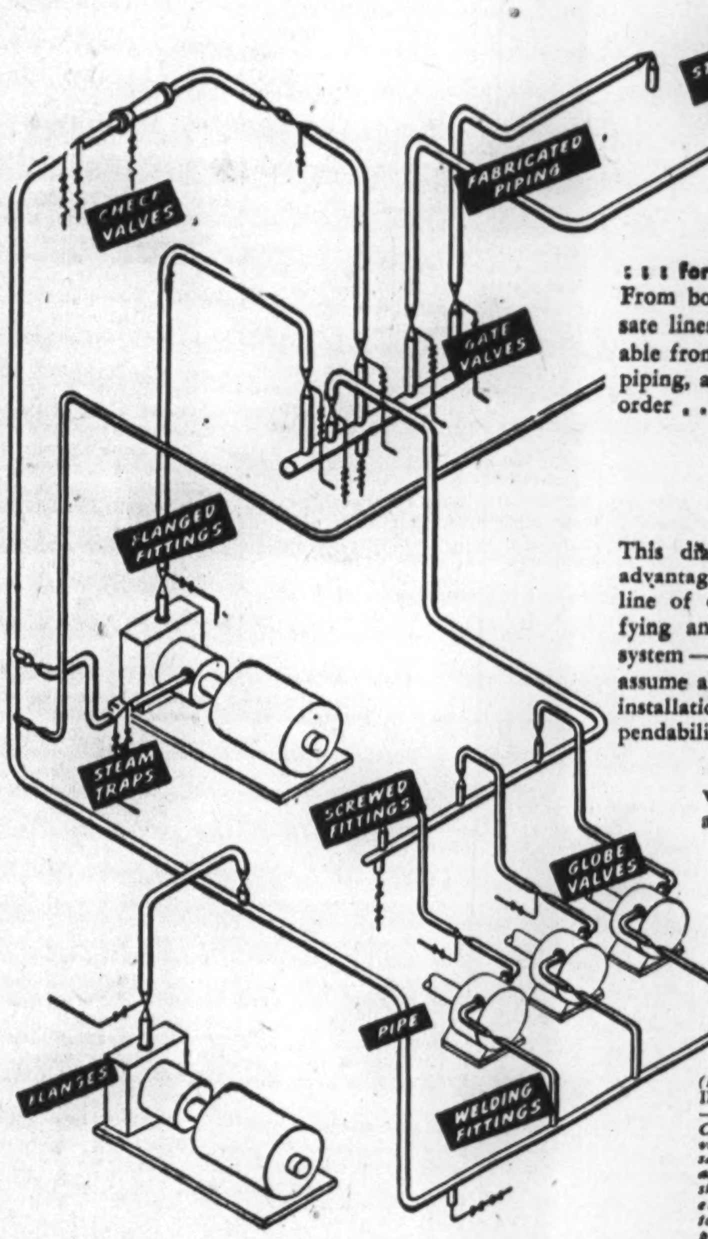

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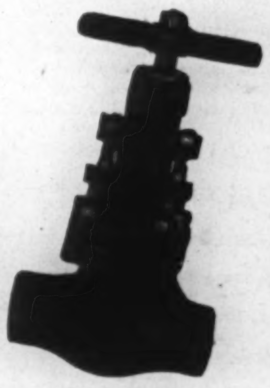

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Minority Rule Certain Unless Voting Reformed

The question: "Do you think recent by-election results strengthen the case for proportional representation or other electoral revision? What suggestions would you make?"

Yes, the need for some electoral revision in Canada is clearly indicated, agree Canadian political observers from many walks of life. But parliamentarians, lawyers and others answering The Financial Post's question-of-the-week differ in their methods for reform.

Some say the only reform needed is on the part of voters themselves—more of them should go to the polls, they should be forced to vote. Among revised systems, the transferable vote is most popular, proportional representation least.

Feeling is that a man cannot do his best in parliament or legislature if he knows—as many do today—that more votes were polled against him than for him. Minority representation tends to weaken the whole representative system of government.

JOHN BASSETT, Jr., vice-president & editor, Sherbrooke Record.

In spite of the fact that both winners in recent by-elections polled minority totals, I do not consider the proportional system would be fairer or more practical. One definition of democracy is government by the majority but that, of course, pre-supposes that the majority think alike and agree on principles. I believe that the small total vote in Parkdale is further proof of the necessity for law to enforce compulsory voting. Our freedom will slip away unless we safeguard it.

* * *

DR. HORACE L. BRITTAIN, director, Citizen's Research Institute of Canada, Toronto.

The greatest political need of Canada for the immediate future is a stable, far-sighted and courageous government. Whether we will have such a government depends upon an electorate which has a large degree of unity of enlightened and independent opinion backed by courage.

It might seem that, whatever the result, all opinions held by considerable numbers of citizens should be reflected in Parliament by proportional representation. If this, however, resulted in a large number of parties in Parliament, none of which had a workable over-all majority, we could expect only a time-serving and vacillating government which might well lead to all sorts of disorders and disregard of law.

It appears to many observers that there are only two well-defined types of thought in the public life of Canada. The single transferable vote might result in these two types of thought being reflected in Parliament. If those who were elected could divest themselves of partisan prejudices and were moved only by considerations as to what was best for Canada, it should be possible to form a strong government.

HON. CHARLES L. BISHOP, member of Canadian Senate and newspaper man.

Unquestionably, many people find it anomalous that a majority of members of parliament are elected with a minority of the votes cast. It was that way recently in Pontiac, Parkdale, and Portage, but this was nothing new. In the 1945 election 149 members out of 245 are in the same category.

Proportional representation has never appealed to parliamentary committees revising the Election Act. The alternative vote system has considerable support. It is said, however, that in Alberta, where they have it, the majority mark their ballots for only one candidate, anyway, and let it go at that which is little better than the old method. If reform is desired, this writer thinks the only effective way would be to do as is done in Australia. There, everyone has to vote and, moreover, any ballot is rejected which does not indicate the voter's preference, first, second, and third.

* * *

IAN CLARK, manager radio station CFJC, Kamloops, B.C.

The recent by-election results indicate the immediate need for a revision of electoral procedure in federal, provincial and municipal elections. Apathy on the part of Canadians to exercise their right to vote can be largely attributed to our present system which has long evidenced unfairness. The only completely fair and unquestionable method that could be adopted would be to allow each voter to register his or her preference by marking his or her ballot on a basis of first, second and third choice, depending upon the number of candidates contesting the election.

* * *

BERT CAIRNS, manager radio station CFAC, Calgary.

Every election strengthens the case for proportional representation. While recent by-elections may give winning candidate a slightly higher percentage of the popular vote than was secured by the present federal government in June, 1945, I have always felt proportional representation and single transferable vote provide the best basis for true expression by the electorate.

* * *

GARNET COULTER, Mayor of Winnipeg.

I am not an advocate of proportional representation for a number of reasons which limitation of space makes it difficult to discuss. In general terms, that system tends to create tickets and blocks and does not accord well with the system of traditional parliamentary government. I do favor the transferable vote in multi-party elections such as occurred in the recent by-elections as it would have carried the preference of a large group of voters one step farther.

* * *

HON. T. A. CRERAR, member of Canadian Senate, Winnipeg.

I would strongly favor adoption of the single transferable vote in all single member constituencies. Where there are more than two candidates in a constituency this would insure that the one finally elected was the choice of the majority of voters. Minority representation as we have now in many instances is a definite weakness in our representative system of government, tends to frustrate people and weaken their faith in parliamentary government, so essential to the maintenance of freedom and liberty for the individual citizen.

* * *

R. MacGREGOR DAWSON, president, Political Science Association, University of Toronto.

Recent by-election results confirm what has been obvious for many years that a preferential vote in single-member constituencies is essential if members of Parliament are to retain their representative character. No member should be placed in the position which many occupy today where he knows that more voters have, in effect, voted against him than for him; for if he is to act with any confidence and assurance of popular support, he should at least be able to feel that he represents a majority and not a minority in his constituency.

* * *

R. J. DEACHMAN, writer and speaker on economic subjects, Ottawa.

Yes. It would be difficult to defend a system which may send a representative to Parliament with a majority of the voters opposed to him and even elect a government by a minority of the popular vote. Proportional representation also presents its difficulties. It tends toward political instability. Let's try it. Better a rocking boat than a sinking one.

CLARENCE GILLIS, CCF member of the House of Commons for Cape Breton South.

The majority of members of the present House of Commons were elected by a minority vote and similar results in three by-elections simply emphasize this fact. Election revision may be a partial answer to this unsatisfactory situation, but a return to the two-party system in Canada is absolutely necessary. This will be brought about as in Great Britain, Australia and New Zealand by the people themselves as they more clearly differentiate between declining capitalism and democratic socialism. That is the fundamental choice that electors all over the world must make.

* * *

HON. A. C. HARDY, member of Canadian Senate, Brockville, Ont.

By-election results are insufficient to cause changes in constitutional proceedings although they might indicate present dissatisfaction or otherwise of an administration. Present Canadian parliament shows the majority of members lacking majority in their constituencies but I don't consider the house personnel as weakened thereby. Recent by-elections followed in the same lines. Nevertheless, proportional representation or transferable vote policies should be given careful consideration. I do not believe that multiplicity of parties is a reason for changing the present system but is indeed an argument against such change, for it would give many small irresponsible transient groups undue influence on results.

* * *

D. W. LANG, K.C., senior member, Lang, Michener & Ricketts barristers, Toronto.

The results in the recent by-elections make the case for a change in the voting system stronger than ever. If more than two parties continue to exist some kind of electoral reform must be introduced which will ensure the election of representatives who in fact represent the majority and not a minority of the electors. The principle of majority rule is fundamental in our system of government. I believe the alternative vote is the answer. The Parliament of Canada and the Ontario Legislature should tackle the problem without any further delay. There has been sufficient experience in other jurisdictions with the alternative vote and with proportional representation to show how they work out in practice.

* * *

HOWARD McCONNELL, K.C., barrister, Saskatoon.

Any recent by-elections in single membered constituencies resulting in successful candidates election on minority vote, strengthen my opinion that use of the single transferable ballot is the only accurate, fair and honest method of giving expression to popular will. I am altogether opposed to the system of proportional representation in multi-membered constituencies on the ground that such a system requires constituencies to be too large in area and makes it impossible for the elected representative to be sufficiently familiar with the electorate and thereby lessens the feeling of personal responsibility.

* * *

J. M. MURPHY, editor, Daily News, Truro, N.S.

The recent by-election results will not affect proportional representation propaganda. The majority vote, as at present, is least complicated and good enough for Canada. The by-election results, however, are liable to bring on redistribution of seats before the next election in order for the government, if possible by that means, to strengthen its weakening position, which is becoming precarious because of unwise controls, continuance of high income and excess profits taxes, undue waste and too much socialization and failure of the housing scheme.

* * *

A. W. NEIL, former independent M.P., Port Alberni, B.C.

Recent elections called attention to the already obvious defect of the present voting system by which a large majority of seats are held by people not representing the majority of constituents. It is undemocratic that our laws are made by members representing a minority of voters.

The remedy I suggest is the transferable vote but certainly not proportional representation. This might work in cities but requires grouping of at least five seats into one. I know five rural seats in British Columbia which, if united, would take at least 18 months to make even a superficial election campaign. The unhappy member, one of the five, who showed signs of being a hard worker, would fall heir to the whole duties of a huge area, an impossible task.

* * *

J. PERCY PAGE, M.L.A., Leader of the Opposition, Edmonton.

The Alberta Election Act is undergoing revision at the present time, and it is significant that not a single suggestion advocating a return to the straight "X" system of voting has been received. This would indicate complete satisfaction with the proportional representation system in the two major cities, and the transferable vote in the rural constituencies, as employed in our provincial elections. Only by such a system can even large minority groups be assured of representation in multi-member constituencies, and elected candidates be certain of a majority vote in a great many single-member constituencies.

* * *

CLAUDE ROOT, general manager, Better Business Bureau, Montreal.

While results of by-elections are generally interpreted in the light of individual leanings and interests of those who fancy themselves students of political phenomena, any analysis of returns in recent contests amply demonstrates a need for electoral revision designed to compensate for the impact of a highly organized solid-voting minority upon the ultimate outcome. To perpetuate the basic democratic premise of "Rep. by Pop.," some revamping might well be attempted of voting methods and procedure. Under the current system, however, my only suggestion (admittedly rather lame and obvious) is to turn out more voters.

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DETTA RED LAKE MINES is utilizing two diamond drilling rigs in carrying out cross-sectional work. One short intersection of possible interest was encountered near bottom of hole No. 4A. This will eventually be investigated. In drilling northwest part of property holes 5 to 9, inclusive, have been completed and have shown a quartz carbonate stringer-zone. Visible gold was obtained in two intersections and the zone is being explored by additional holes.

BALDWIN CONSOLIDATED MINES has completed detailed geological surface mapping and is now preparing plans to dewater old shaft workings before bulk sampling.

... Has your Estate plan been outgrown?

The years go by so swiftly! The children grow up and, as they grow, their needs change. What may have been an adequate estate plan for your family a very few years ago may now be needing a number of alterations.

Tax laws and regulations change from time to time, too. All such changes, along with others you may not have thought about, can affect the immediate "must" obligations you will leave behind, as well as the assets and income that will be left for your family. Tax rates have increased and exemptions have been reduced so greatly in recent years that any estate plan which has not been revised for two years or more may be hopelessly inadequate in its provisions for cash needs and the effect this may have on the future welfare of your family.

The only way to be sure is to have your plan checked over and the exact cash position of your estate determined in the light of today's conditions. Qualified estate analysts at Canada Life will be glad to make this detailed analysis for you. There is no obligation to accept any suggestions presented with the report. Ask your Canada Life representative about it, or write to the Head Office, 330 University Avenue, Toronto.

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